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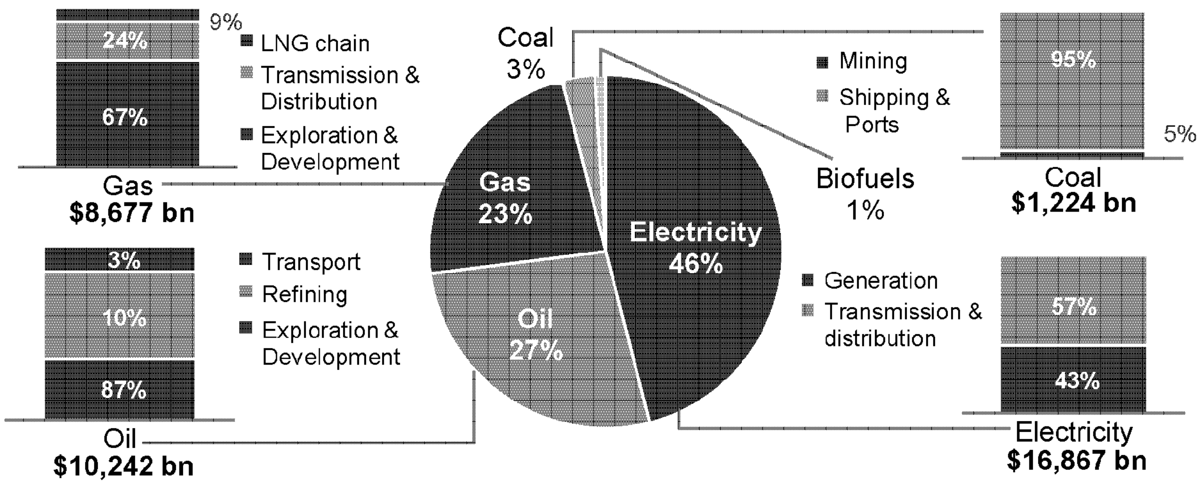
**Figure 28: Energy and Energy Infrastructure Global Investment Requirements**




*Source: IEA World Energy Outlook (2012)*

## b) Unconventional Oil & Gas Development

The emergence of unconventional plays represents an unprecedented opportunity in the energy industry. Unconventional resources found in shale and other tight rock formations were once considered uneconomic to produce. Technology, specifically hydraulic fracturing and directional / horizontal drilling, has enabled the industry to access vast resources with limited geological / technical risk for very attractive returns. The proliferation of activity into new shale plays has increased dry shale gas production in the United States from 1.0 trillion cubic feet ("Tcf") in 2006 to 4.8 Tcf, or 23 percent of total U.S. dry natural gas production, in 2010. Shale gas reserves increased to about 60.6 Tcf by year-end 2009, when they comprised about 21 percent of overall U.S. natural gas reserves, now at the highest level since 1971. Oil production from shale plays, notably the Bakken Shale in North Dakota and Montana, has also grown rapidly in recent years. Despite the amount of activity around these assets, the industry has produced less than 10% of its estimated total recoverable resource.[1] Further industry advancement will likely result in enhanced returns, discovery of new plays, increased recoveries and larger drilling inventories.

The investment opportunity of drilling unconventional wells has a very attractive profile for investors.[2] Due to the amount of resource, large amounts of capital are required. As a whole, the resource plays are in the early stages of development and will require thousands of additional drilling locations and trillions of dollars of capital investment. Additionally, unconventional oil and gas development is characterized by repeatable drilling opportunities with less geologic / dry hole risk than conventional drilling. As such, the financing needs of domestic oil and gas operators have grown materially, while the investment opportunities have become more attractive. To date, EIG has already made successful investments in companies pursuing drilling in unconventional plays, such as CHK Utica, CHK Cleveland-Tonkawa, Intervention Energy and Blackbrush Oil & Gas, among others.

[1] *EIA Review of Emerging Resources (July 2011), HPDI.*
[2] *Credit Suisse "The Shale Revolution II" (October 2013).*

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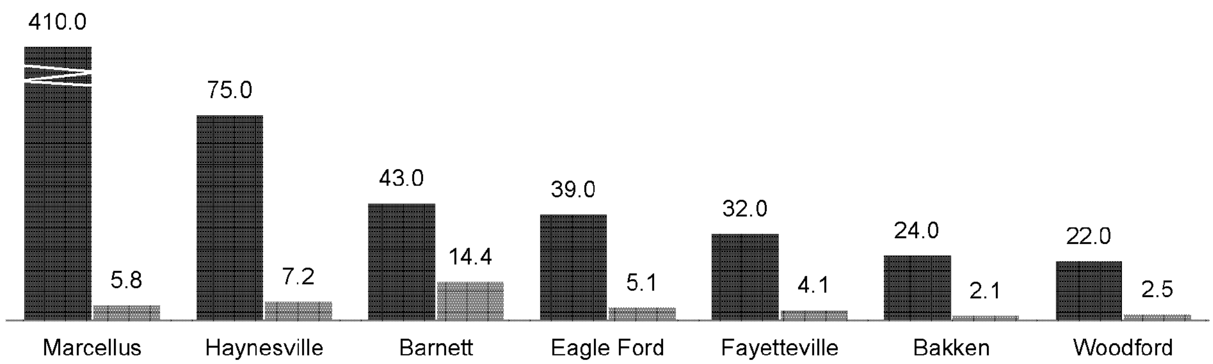
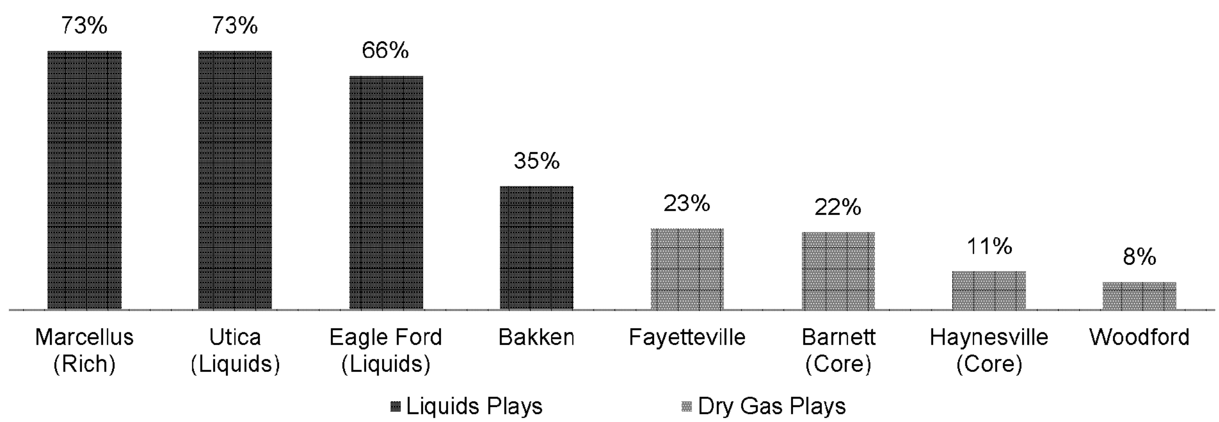
**Figure 29: U.S. Shale Inventory and Asset Level Returns**

**Total Undeveloped Resource vs. Produced Resource by Shale Basin (Tcfe)**




**Source: EIA Review of Emerging Resources (July 2011), HPDI**

**Single Well IRR at NYMEX**



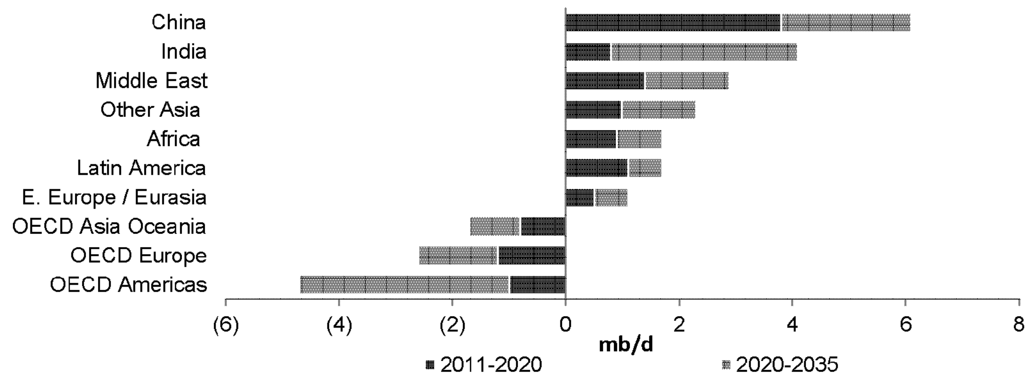

*Source: Credit Suisse "The Shale Revolution II" (October 2013)*

## c) Oil

The IEA projects demand for oil to rise progressively from 87.4 million barrels per day ("MMBbl/d") in 2011 to 99.7 MMBbl/d by 2035, an increase of 14%. The outlook for oil demand varies markedly by region. Asia Pacific, North America and Europe are the major oil-consuming regions, with Asia Pacific being the most significant growth market. In 2008, Asia Pacific overtook North America as the world's leading consumer of oil. This differential is projected to increase further, with Asia Pacific's share of global oil demand expected to rise from 29% in 2011 to 37% in 2035, led by demand growth in China and India.[1]

[1] *IEA World Energy Outlook (2012).*

**Figure 30: Oil Demand Growth by Region**




*Source: IEA World Energy Outlook (2012)*

## d) Natural Gas

Natural gas is the world's fastest-growing fossil fuel. It continues to be favored as an environmentally attractive fuel relative to other hydrocarbons and is the fuel of choice in many regions of the world. Its primary uses are as a fuel for electric power generation, space and water heating in commercial and residential buildings and transportation as well as a power supply or feed stock in industrial processes. Demand is expected to grow across each of these sectors due to natural gas' low carbon intensity and significant price discount relative to oil in most world markets.

The IEA projects consumption will increase at an average rate of 1.6% per year from 2012 to 2035 and that consumption will increase in every region, with non-OECD countries accounting for 80% of the overall increase in global demand through 2035. In the United States, natural gas is the only fossil fuel for which demand is projected to increase through 2035, as it is expected to displace some coal and oil demand and become the most important fuel in the country.[1]

[1] *IEA World Energy Outlook (2012).*

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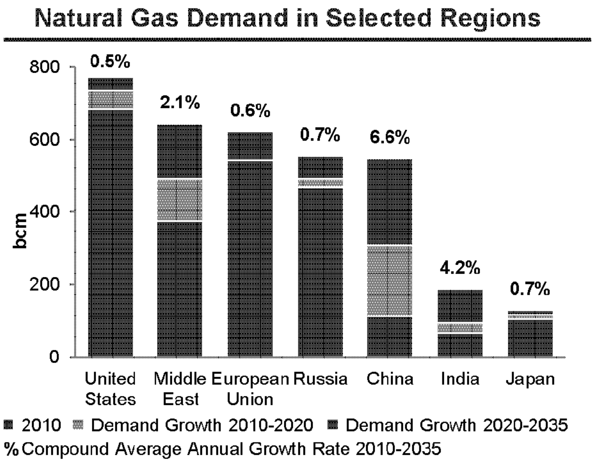
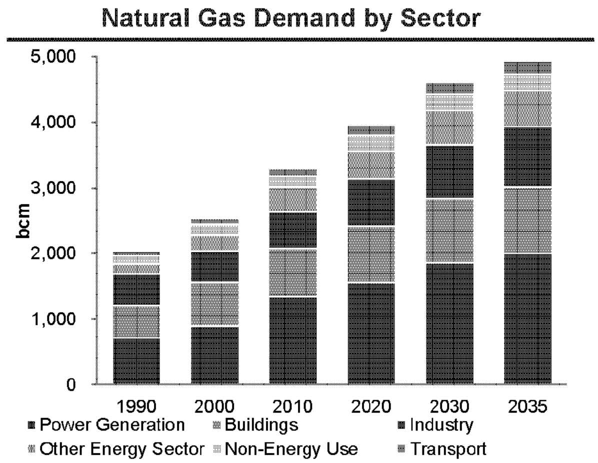
**Figure 31: Demand for Natural Gas**



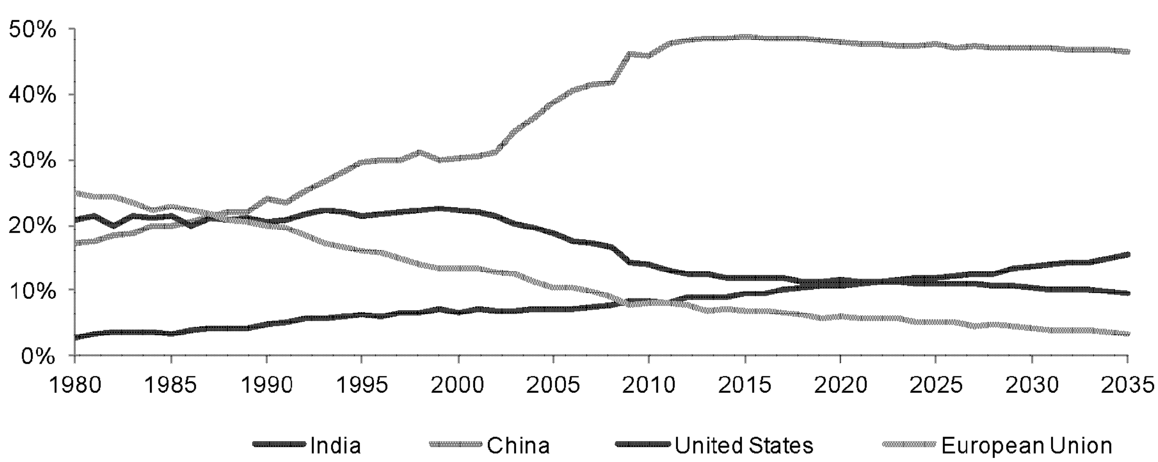




*Source: IEA World Energy Outlook (2012)*

## e) Coal

Global coal demand is forecast by the IEA to grow at an average rate of 0.8% per annum from 4,963 million metric tonnes ("Mt") in 2010 to 6,026 Mt in 2035. However, all major OECD regions are projected to see their coal use decline by 2035 at an average rate of -1.1% per annum from 2000 to 2035, while, the IEA projects demand during this period to grow at 1.4% per annum in non-OECD countries, driven primarily by the Asia Pacific region. In 2010, this region accounted for almost two-thirds of global coal demand and will account for virtually all incremental demand to 2035, driven by increasing consumption in China and India.[1]

**Figure 32: Share of Key Regions in Global Coal Demand**




*Source: IEA World Energy Outlook (2012)*

[1] *IEA World Energy Outlook (2012).*

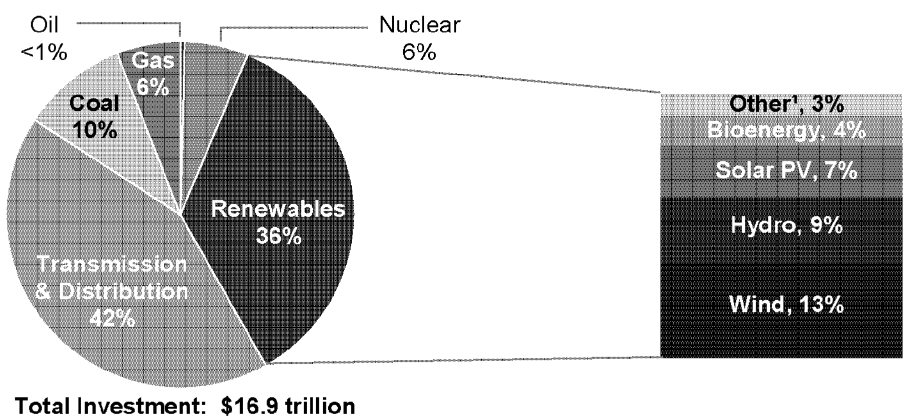
## f) Power

Globally, demand for electricity is projected to continue to grow faster than for any other final form of energy. Between 2000 and 2010, global demand for electricity increased by 40% and is projected by the IEA to expand an additional 70% between 2010 and 2035, an average annual growth rate of 2.2% per year. The growth in electricity demand will come primarily from non-OECD countries.[1]

It is expected that fossil fuels will continue to dominate the electricity generation fuel mix. Despite a significant decline in the share of coal in total generation, it is likely to remain the largest source of generation worldwide. Shares of natural gas and non-hydro renewables are projected to increase, resulting in a marked decline in the average $CO_2$ intensity of generation. This is particularly pronounced in OECD countries, with significant differences regionally.

The IEA estimates that $16.9 trillion of investment will be required in the power sector through 2035, accounting for 45% of all energy investment. Investment in power plants accounts for 57% of the power sector total, with over 60% of it for renewable energy, reflecting their higher capital cost compared to coal and gas-fired generation. Investment is projected to be greatest in China, followed by the European Union, the United States and India.[1]

**Figure 33: Power Sector Cumulative Investment by Type**




*Source: IEA World Energy Outlook (2012)*
*[1] Other includes geothermal, concentrating solar power and marine.*

# B. Alternative Asset Management Overview

Asset management involves the management of investments on behalf of investors in exchange for a fee, and often includes incentive income based on the financial performance of investments. Asset managers employ a variety of investment strategies, which fall into two broad categories: traditional asset management and alternative asset management. The key differences between traditional asset managers and alternative asset managers primarily relate to investment strategies, return objectives, compensation structure and investor access to funds.

Traditional asset managers, such as mutual fund managers, engage in managing and trading investment portfolios of equity, fixed income, derivative securities and commodities. The investment objectives of

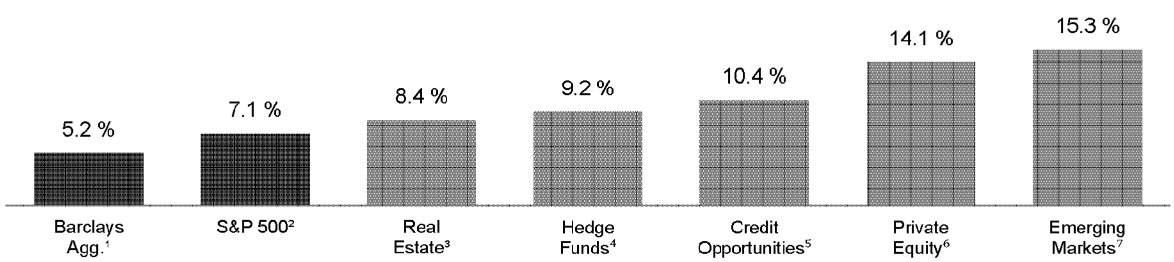
[1] *IEA World Energy Outlook (2012).*

these portfolios may include total return, capital appreciation, current income and / or replicating the performance of a particular index. Managers of such portfolios are compensated by a predetermined fee based on a percentage of the assets under management, generally substantially independent of performance. Performance measurement of traditional funds is typically against given benchmark market indices and peer groups over various time periods. Investors in traditional funds generally have unrestricted access to their funds, either through market transactions in the case of closed-end mutual funds and exchange traded funds, or through withdrawals in the case of open-end mutual funds and separately managed accounts.

Alternative asset managers such as managers of hedge funds, private equity funds, venture capital funds, real estate funds, mezzanine funds and distressed investment funds utilize a variety of investment strategies to achieve returns within certain stipulated risk parameters and investment criteria. These returns are evaluated on an absolute basis rather than benchmarked in relation to an index. The compensation structure for alternative asset managers may include management fees on committed or contributed capital, transaction and advisory fees as capital is invested (typically for private equity funds) and carried interest or incentive fees tied to achieving certain absolute return hurdles. Unlike traditional asset managers, alternative asset managers may limit investors' access to funds once committed or invested until the investments have been realized.

While the challenging economic environment and recent financial crisis pressured fundraising efforts in recent years, interest in alternative assets has been returning from institutional investors seeking outsized returns in a low growth, low interest rate environment. Much of the interest in alternative assets has arisen from sovereign wealth funds due to their long-term investment horizons and from ambitious return targets of underfunded pension plans in the U.S. As shown by the figure below, alternative assets have generated higher returns than more traditional asset classes, such as listed equities or fixed income.

**Figure 34: Traditional vs. Alternative Asset Returns (10-Year as of December 31, 2012)**




*Source: 1) Barclays US Aggregate Total Return Index; 2) S&P 500 Total Return; 3) NCREIF Property Index; 4) Eurekahedge Hedge Fund Index; 5) BofA Merrill Lynch U.S. High Yield Master II Total Return Fund; 6) Cambridge Associates U.S. Private Equity Index; 7) MSCI Emerging Markets Total Return Index*

As a result of these strong returns across the recent cycle, the size of the alternative asset management industry represents a growing portion of the global investable asset pool. According to TheCityUK and Preqin, the industry has grown from $3.3 trillion of assets under management in 2003 to $9.6 trillion in 2011, representing a CAGR of 14.3%. This asset growth outpaced the 8.2% CAGR for the broader asset management industry over the same period.

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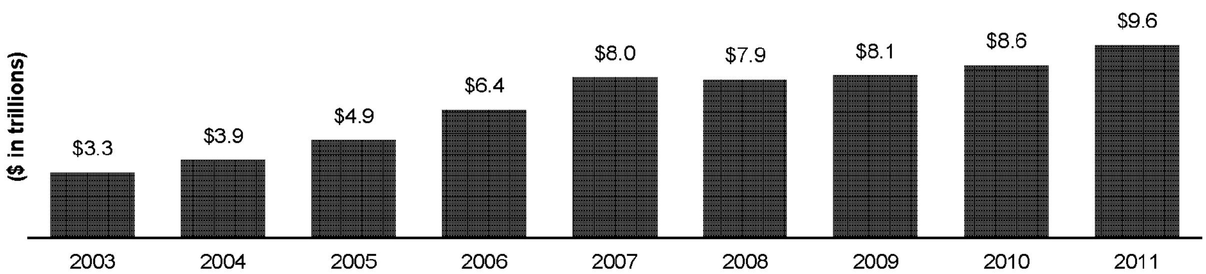
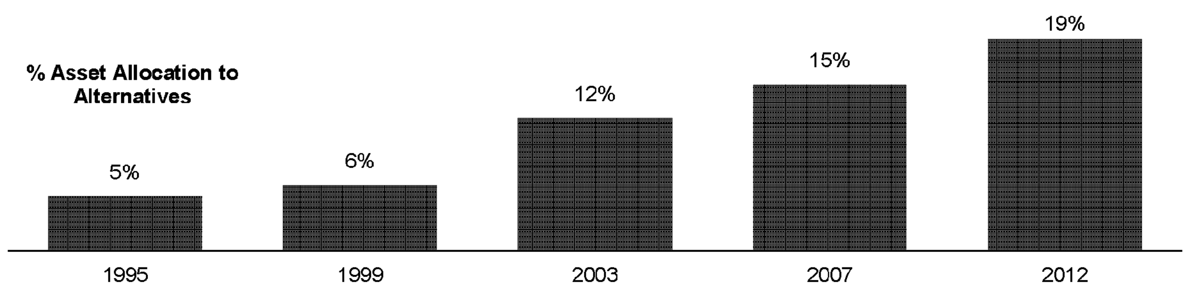
**Figure 35: Alternative Assets Under Management ($ in trillions)**




*Source: TheCityUK, BlackRock and Preqin (June 2011)*

As shown in the figure below, various pension funds in major pension markets have quadrupled their allocations to alternative assets over the past 16 years, from 5% of their portfolios in 1995 to an estimated 19% of their portfolios in 2012 as pension funds seek greater diversification, attractive returns and downside protection in achieving their investment goals.

**Figure 36: Pension Trend Towards Alternatives Across Investor Segments**




*Source: Tower Watson, "Global Pension Asset Study", January 2013*

EIG is an alternative asset management firm that has experienced an AUM CAGR of 27.8% since 2004.

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# V. Financials: Historical and Projected

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*Note: Year to date financials represent financial performance as of September 30, 2013. See Appendix E for a description of the key differences in accounting policies for Distributable Earnings and Economic Net Income*

## A. Historical Financials

**Overview of revenue streams, expenses and allocations**

EIG revenues are comprised primarily of three streams; (1) management fees from EIG managed funds; (2) carried interest earned from these funds; and (3) investment returns from investments made through the EIG balance sheet, which currently consists of investments in EIG-managed funds.

*Management Fees*

Management fees are generated from EIG's closed-end funds that have minimum terms of 10 years. The fees (approximately 1.25%) are charged on committed capital during the investment period (typically for the first five years) and on assets outstanding after the investment period. As a result, EIG has generated strong and steady investment management fees. The magnitude and contractual nature of management fees can significantly offset volatility from incentive fees. Fee breaks have been provided in very limited circumstances to certain large investors. In the case of Fund XVI, for example, the threshold for a fee break was a $400 million commitment and only one investor participated at this level.

*Carried Interest*

In addition to management fees, EIG earns carried interest (or similar performance fees) for exceeding return hurdles. EIG's carry is typically generated by funds at an incentive fee rate of 20% of fund profits (including a "catch up" provision). The associated profits are paid after the particular fund's limited partners receive a 100% return on invested capital plus an annual preferred return that typically equals 8%. The more conservative European-style carry results in back-ended recognition of carry. Because EIG's receipt of carry is back-ended, the likelihood of clawback is de minimis. It also represents material embedded future value in EIG's core business. As of September 30, 2013, EIG's accrued carry for Funds XIV and XV was $366 million.

*Returns from investment portfolio*

EIG began investing in its managed funds beginning with Fund XV (upon its spinout from TCW) and has continued to invest in all subsequent investment vehicles and expects such investments to continue in all future investment vehicles. In addition, in the future, EIG may participate directly in some investments rather than having its interest come solely through a fund.

**Allocation of revenues to TCW**

As a result of its spin-out from TCW and the subsequent settlement of litigation related to a TCW change of control (see Appendix C for detail), TCW is entitled to a share of management fees and carried interest on Fund XV and prior funds but has no economic interest in EIG itself or in Fund XVI or future funds.

The tables below summarize historical economic net income and distributable earnings both before and after adjusting for payments to TCW.

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## Table 14: Historical Economic Net Income

| Total Company | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 YTD |
|---|---|---|---|---|---|---|
| Management Fees | $56.8 | $54.5 | $68.8 | $107.3 | $82.7 | $82.1 |
| Carried Interest | 40.7 | 41.6 | 96.4 | 73.0 | 79.2 | 59.0 |
| Transaction Fees | 7.4 | 2.0 | 1.1 | 1.7 | 0.6 | 0.3 |
| GP Investment Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 1.0 |
| Total Fund Revenue | $104.9 | $98.1 | $166.3 | $182.0 | $163.2 | $142.3 |
| G&A[1] | $(2.9) | $(4.7) | $(11.1) | $(9.8) | $(10.0) | $(8.0) |
| Compensation | (21.4) | (19.6) | (21.6) | (30.8) | (24.0) | (28.3) |
| Carry Points | (8.8) | (8.9) | (23.2) | (19.7) | (23.7) | (18.9) |
| Fund Expenses | (3.2) | (3.4) | (3.7) | (9.6) | (8.3) | (7.0) |
| Total Expenses | $(36.3) | $(36.6) | $(59.6) | $(69.8) | $(66.0) | $(62.1) |
| Total EBITDA | $68.6 | $61.5 | $106.7 | $112.2 | $97.3 | $80.2 |
| Depreciation[2] | | | | $(1.4) | $(2.8) | $(2.2) |
| Interest Expense[2] | | | | (3.6) | (7.2) | (6.4) |
| Taxes[2] | | | | (0.7) | (0.6) | (0.8) |
| Economic Net Income | | | | $106.6 | $86.7 | $70.9 |

| EIG Only[2] | 2011 | 2012 | 2013 YTD |
|---|---|---|---|
| Management Fees | $69.5 | $58.4 | $64.9 |
| Carried Interest | 43.8 | 52.3 | 41.1 |
| Transaction Fees | 0.8 | 0.3 | 0.3 |
| GP Investment Income | 0.0 | 0.7 | 1.0 |
| Total Fund Revenue | $114.1 | $111.6 | $107.3 |
| G&A | $(9.8) | $(10.0) | $(8.0) |
| Compensation | (30.8) | (24.0) | (28.3) |
| Carry Points | (19.7) | (23.7) | (18.9) |
| Fund Expenses | (9.6) | (8.3) | (7.0) |
| Total Expenses | $(69.8) | $(66.0) | $(62.1) |
| Total EBITDA | $44.3 | $45.7 | $45.1 |
| Depreciation | $(1.4) | $(2.8) | $(2.2) |
| Interest Expense | (3.6) | (7.2) | (6.4) |
| Taxes | (0.7) | (0.6) | (0.8) |
| Economic Net Income | $38.7 | $35.1 | $35.8 |

[1] *2010 includes a one-time office build out of $5.5 million.*
[2] *Not applicable prior to spin out.*

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## Table 15: Historical Distributable Earnings

| Total Company | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 YTD |
|---|---|---|---|---|---|---|
| Management Fees | $56.8 | $54.5 | $68.8 | $107.3 | $82.7 | $82.1 |
| Carried Interest | 5.4 | 5.5 | 3.4 | 4.4 | 2.2 | (0.6) |
| Transaction Fees | 7.4 | 2.0 | 1.1 | 1.7 | 0.6 | 0.3 |
| GP Investment Income | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 1.0 |
| Total Fund Revenue | $69.6 | $62.0 | $73.3 | $113.4 | $86.2 | $82.7 |
| G&A[1] | $(2.9) | $(4.7) | $(11.1) | $(9.8) | $(10.0) | $(8.0) |
| Compensation | (21.4) | (19.6) | (21.6) | (30.8) | (24.0) | (28.3) |
| Carry Points | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fund Expenses | (3.2) | (3.4) | (3.7) | (9.6) | (8.3) | (7.0) |
| Total Expenses | $(27.5) | $(27.7) | $(36.4) | $(50.2) | $(42.2) | $(43.2) |
| Total EBITDA | $42.1 | $34.3 | $36.9 | $63.2 | $44.0 | $39.4 |
| Depreciation[2] | | | | $(1.4) | $(2.8) | $(2.2) |
| Interest Expense[2] | | | | (3.6) | (7.2) | (6.4) |
| Taxes[2] | | | | (0.7) | (0.6) | (0.8) |
| Total Distributable Earnings | | | | $57.6 | $33.4 | $30.1 |

| EIG Only[2] | 2011 | 2012 | 2013 YTD |
|---|---|---|---|
| Management Fees | $69.5 | $58.4 | $64.9 |
| Carried Interest | 2.2 | 1.1 | (0.3) |
| Transaction Fees | 0.8 | 0.3 | 0.3 |
| GP Investment Income | 0.0 | 0.7 | 1.0 |
| Total Fund Revenue | $72.5 | $60.5 | $65.8 |
| G&A | $(9.8) | $(10.0) | $(8.0) |
| Compensation | (30.8) | (24.0) | (28.3) |
| Carry Points | 0.0 | 0.0 | 0.0 |
| Fund Expenses | (9.6) | (8.3) | (7.0) |
| Total Expenses | $(50.2) | $(42.2) | $(43.2) |
| Total EBITDA | $22.4 | $18.2 | $22.6 |
| Depreciation | $(1.4) | $(2.8) | $(2.2) |
| Interest Expense | (3.6) | (7.2) | (6.4) |
| Taxes | (0.7) | (0.6) | (0.8) |
| Total Distributable Earnings | $16.7 | $7.6 | $13.3 |

[1] *2010 includes a one-time office build out of $5.5 million.*
[2] *Not applicable prior to spin out.*

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### Analysis of Revenues

The table below summarizes all funds contributing towards performance in 2012 and 2013 year to date.

**Table 16: Historical Fund Structures**

| Active Funds | Product Type | Committed Funds | Inception | Fund Life (Years) | Hurdle Rate | Mgmt Fees (bps) | Carry Fees |
|---|---|---|---|---|---|---|---|
| Cogeneration & Infrastructure Fund | Equity and Mezzanine | $0.50 | 1987 | Permanent | 10% | 50 | 10% |
| Energy Fund X | Equity and Mezzanine | 0.73 | 2004 | 13 | 9 | 120 | 7 |
| Global Project Fund II | High Yield Senior | 0.70 | 2004 | 12 | 11 | 65 | 20 |
| Global Project Fund III | Senior | 1.53 | 2005 | 12 | 11 | 50 | 20 |
| Energy Fund XIV | Equity and Mezzanine | 2.57 | 2006 | 12 | 8 | 125 | 20 |
| European Clean Energy Fund | Equity and Mezzanine | 0.47 | 2006 | 12 | 7 | 116 | 20 |
| Gateway Energy & Resource Holdings | Permanent Capital Vehicle | 0.23 | 2007 | Permanent | 8 | 125 | 20 |
| Energy Fund XV | Equity and Mezzanine | 4.12 | 2010 | 10 | 8 | 119 | 19 |
| EIG Gateway Direct Investments | Equity and Mezzanine | 0.11 | 2011 | 10 | 8 | 100 | 15 |
| Pelican Spillover Fund | Mezzanine | 0.45 | 2012 | 10 | 8 | 125 | 20 |
| Korea Resource Fund | Mezzanine | 0.50 | 2012 | 10 | 8 | 20 | 10 |
| Energy Fund XVI | Equity and Mezzanine | 6.00 | 2013 | 10 | 8 | 123 | 20 |

Revenues in 2013 year to date consist principally of management fees generated from 12 funds with vintages ranging from 1987 to 2013. $57.3 million, or 70%, of these revenues came from Fund XV and Fund XVI.

Similarly, revenues in 2012 consist principally of management fees generated from 11 funds with vintages ranging from 1987 to 2012. $46.9 million, or 57%, of these revenues came from Fund XV.

#### *Placement Fee Set-off*

For Funds XIV, XV and XVI, EIG used a placement agent to assist in the fund-raising process. The mandate of the agent has decreased over the course of these fund-raises and will either continue to decrease or be eliminated in the future as EIG builds its internal capability. Payments are ordinarily made by each fund with a full offset to management fees. Management fees and placement fees are reported gross. Placement fees are payable on amortization schedules ranging from four to 10 years. The table below summarizes placement fees paid.

**Table 17: Placement Fees (Year to date as of September 30, 2013)**

| ($ in millions) | 2012 | 2013 YTD |
|---|---|---|
| Fund XIV | $2.6 | $1.9 |
| Fund XV | 4.7 | 3.4 |
| Fund XVI | 0.0 | 1.7 |
| EIG Gateway Direct Investments | 1.0 | 0.0 |
| **Total** | **$8.3** | **$7.0** |

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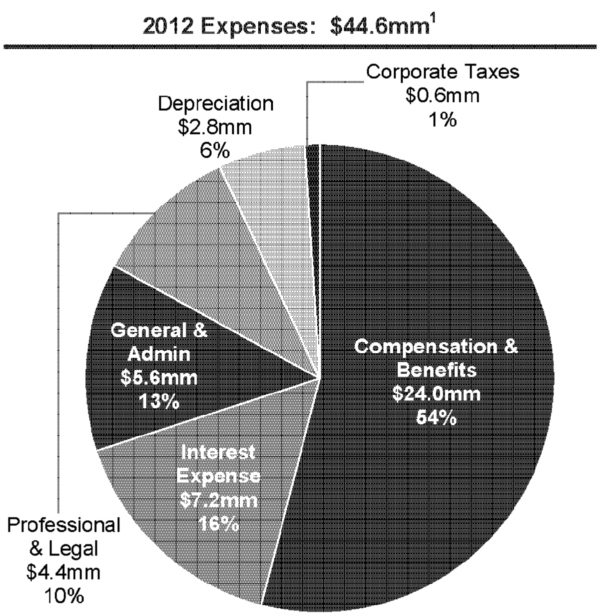
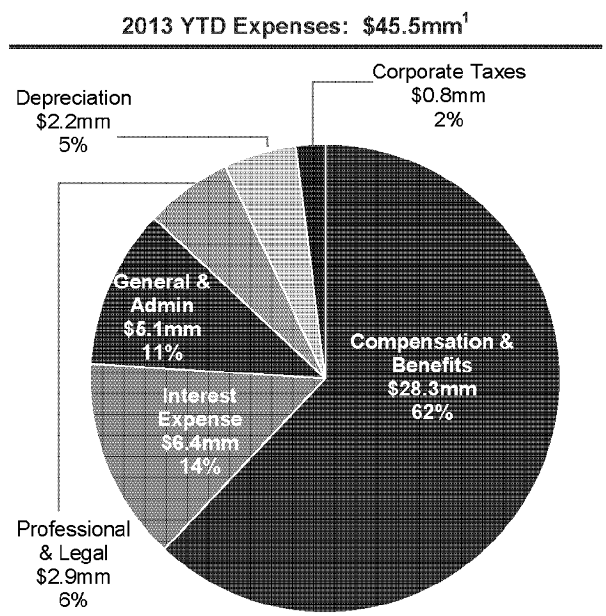
**Analysis of Expenses**

Expenses (inclusive of interest, tax, depreciation and amortization and excluding fund expenses) represent 56% of total management fees and 55% of total DE revenues for the year to date period ended September 30, 2013 (2012 full year 54% and 52%). Exclusive of interest, tax, depreciation and fund expenses, expenses represent 44% of total management fees and 44% of total revenues for 2013 year to date (2012: 41% and 39%).

**Figure 37: Expense Allocation**




[1] *Excludes fund expenses.*

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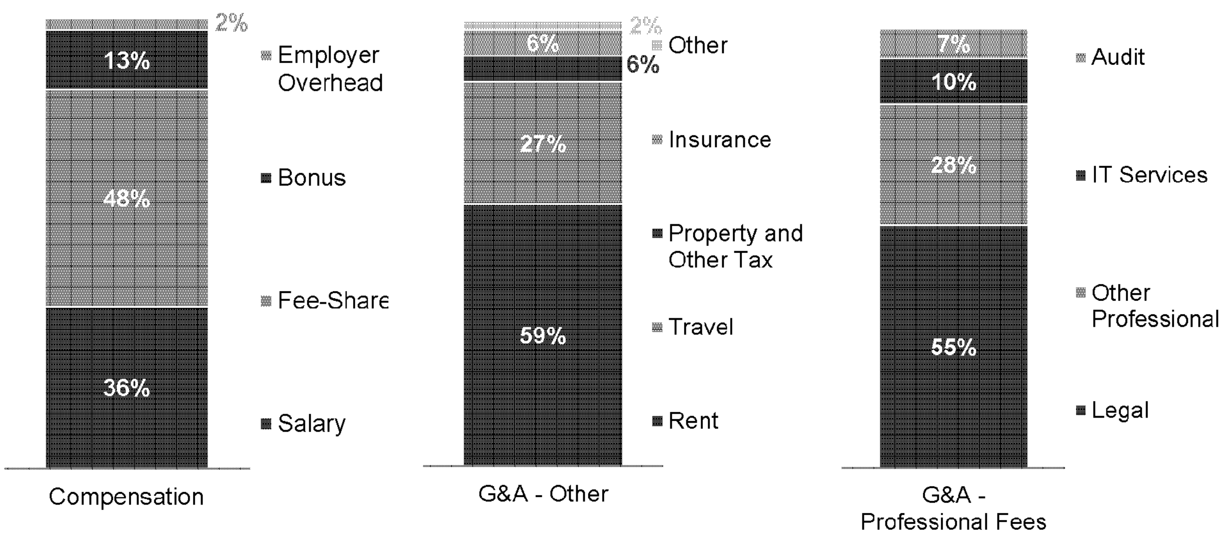
**Figure 38: 2013 YTD Expenses by Category**




***Compensation***

Compensation is the largest expense at EIG representing 46% of total expenses (including fund expenses and excluding depreciation, interest and tax expenses) on an ENI-basis and 65% on a DE-basis for YTD 2013. The compensation program at EIG includes three basic components: (i) base salaries and benefits; (ii) variable cash compensation, and (iii) carried interest

*Base Salaries and Benefits:* Base salaries are modest and in-line with market standards that reflect most of an individual's compensation coming from variable components. For 2012 base salaries and benefits totaled $12 million with an average headcount for the year of 65 full-time employees. 2013 year to date expense totals $10.9 million, representing an increase of approximately $1.9 million on the prior year comparable period. Although the average employee numbers have remained relatively flat at 67, the increased expenses reflect one-time departure costs associated with two professionals and other non-recurring compensatory payments.

*Variable Cash Compensation:* For variable cash compensation, senior professionals participate in a "fee sharing" pool in which EIG's profitability is distributed amongst the senior team (currently 17 deep) with individuals having a predetermined percentage of the income each year. For participants in the program, it removes the discretionary component of the bonus and aligns the group with EIG's overall performance. For the more junior employees, the variable cash compensation consists of an annual discretionary bonus.

The use of fee sharing as the primary form of cash compensation for the senior team not only produces an effective alignment of interest between the team and EIG's objectives, it also creates an automatic adjustment to compensation expense that reflects the profitability of EIG during a given year and allows it to maintain a stable margin. Payments to fee sharers in 2012 and 2013 (year to date) amounted to $7.8 and $13.7 million, respectively.

For more junior employees, variable cash compensation is provided in the form of a discretionary annual bonus. Bonus expense is accrued on a quarterly basis but has remained relatively flat as fee sharing

participants absorb most of the volatility in earnings. For 2012, bonus expense was $4.2 million and for 2013 year to date, $3.8 million.

*Carried Interest Awards:* Each member of EIG is eligible to participate in the firm's carried interest program, and EIG seeks to have each person maintain some award in its flagship funds. For senior EIG staff, including EIG's managing directors, this carried interest compensation component represents the majority of total compensation such professionals can expect during their tenure at EIG. The carried interest awards generally vest over a four-year period. On an ENI-basis, carried interest payments are accrued as expenses and totaled $23.7 million in 2012 and $18.9 million in 2013 year to date. On a DE-basis, expenses related to carried interest have been small, reflecting the European-style nature of EIG's carry and the related deferred payout.

***Interest Expense***

Interest expense relates to financing costs for a $160 million term note financing entered into in Q2 2011 ($100 million maturing 2018; the "2011 Notes") and Q2 2013 ($60 million maturing 2020; the "2013 Notes"). The 2011 Notes amortize at $2.5 million per annum with a final bullet at maturity in 2018 of $30 million. The 2013 Notes have a bullet maturity in 2020. Interest on both notes is fixed at 7.88% over the full term. Interest expense in 2012, which related entirely to the 2011 Notes amounted to $7.9 million. Interest expense in 2013 year to date amounted to $6.4 million, inclusive of $1.5 million related to the 2013 Notes.

***Taxes***

EIG is established as a pass through / disregarded group for tax purposes. Taxes are, however, levied across the group at two levels. First, overseas subsidiary companies of EIG are established as locally taxable corporations. These entities are funded by the main US based operating entity under cost plus margin arrangements. Margin is subject to local corporation tax.

**Table 18: Local Corporation Tax Summary**

| | 2013 | | 2012 | |
|---|---|---|---|---|
| | Statutory Rate | Effective Rate | Statutory Rate | Effective Rate |
| United Kingdom | 23.2% | 23.1% | 24.5% | 23.2% |
| Australia | 30.0 | 31.1 | 30.0 | 31.7 |
| Hong Kong | 16.5 | 12.4 | 16.5 | 16.5 |
| Brazil | 34.0 | 34.0 | 34.0 | 34.0 |
| South Korea | 11.0 | 0.0 | 11.0 | 0.0 |

Second, group earnings, net of local corporation taxes, are subject to apportionment to both D.C. and Texas (apportionment is based on customary sales, property and payroll factors) with the apportionments then subject to State Unincorporated Business Taxes.

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**Table 19: Analysis of Group Unincorporated Business Taxes**

| | 2012 | | | 2013 Year to Date | | |
|---|---|---|---|---|---|---|
| | Statutory Rate | Apportionment of Group Income | Effective Rate | Statutory Rate | Apportionment of Group Income | Effective Rate |
| DC | 9.98% | 43.98% | 4.07% | 9.98% | 40.17% | 4.05% |
| Texas | 1.00 | 19.31 | 0.86 | 1.00 | 18.78 | 0.60 |

**Table 20: Historical Balance Sheet**

| | Dec-2012 | Sep-2013 |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | $29.6 | $43.9 |
| Accounts Receivable | 9.8 | 29.6 |
| Total Current Assets | $39.4 | $73.5 |
| Investments | $27.7 | $18.5 |
| Fixed assets | 11.6 | 9.4 |
| Deferred issuance Costs | 2.4 | 2.5 |
| Intangible Asset | - | 51.5 |
| Total Assets | $81.1 | $155.4 |
| **Liabilities** | | |
| Accounts Payable | $7.6 | $7.4 |
| Deferred Revenue | 1.3 | 10.8 |
| Payable to Senior Bonus | 0.8 | 7.2 |
| Other Liabilities | 2.8 | 2.8 |
| Total Current Liabilities | $12.5 | $28.2 |
| Long-Term Debt | $87.5 | $140.0 |
| Capital Contributions | $2.3 | $2.3 |
| Retained Earnings | (21.2) | (15.1) |
| Total Partners' Equity | $(18.9) | $(12.8) |
| Total Liabilities and Partners' Equity | $81.1 | $155.4 |

EIG's assets consist primarily of its cash reserves, investments in its Funds, accounts receivable and intangible assets. The cash reserves are reflective of the total financing proceeds of $140 million (net of amortization of $20 million to date). In addition to the investments in EIG managed funds and build out of the platform, EIG used the proceeds to pay $31.5 million to buy TCW's right to share in revenues post Fund XV.

General Partner investments in EIG-managed funds are made through EIG Separate Investments ("EIG SI"). Investments are made through EIG SI in order to minimize exposure to Unrelated Business Income Taxes levied on businesses domiciled in Washington, D.C.

The table below summarizes the investment portfolio as of September 30, 2013.

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**Table 21: Separate Investments Portfolio Summary (Year to Date 2013) ($ in millions)**

| | Investment Commitment | Funded | Returned Principal | Outstanding Cost Basis | FMV | Distribution of Gains | Total Value | Net IRR | Net ROI | Recyclable Cash | Remaining Unfunded Commitment |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund XV | $19.7 | $13.3 | $(1.7) | $11.6 | $15.5 | $1.2 | $16.7 | 26.3% | 1.28 x | $2.8 | $9.2 |
| EGDI | 6.6 | 3.0 | (0.3) | 2.7 | 3.6 | 0.2 | 3.8 | 27.9 | 1.23 | 0.6 | 4.2 |
| Pelican | 15.0 | 3.4 | – | 3.4 | 3.6 | – | 3.6 | 1.9 | 1.08 | – | 11.6 |
| PWEF | 2.5 | 0.8 | – | 0.8 | 0.7 | – | 0.7 | – | – | – | 1.7 |
| Total | $43.8 | $20.5 | $(2.0) | $18.5 | $23.4 | $1.4 | $24.8 | 25.5% | 1.24 x | $3.4 | $26.7 |

Accounts receivable are primarily from EIG Funds, relating to accrued management fees; expense reimbursable from Funds; as well as customary working capital receivables and prepayments.

Intangible Assets consist primarily of the aforementioned payment made to TCW and the acquisition of a portion of the Fund XV carried interest held by employees,

EIG's liabilities consist of the outstanding note issuance and deferred revenue. Deferred revenues represent transaction fees received for which the corresponding offset to management fees has not yet been taken by the Funds. Deferred revenues are recognized in the period of offset. During 2013 EIG has received approximately $5 million in transaction fees related to the Pelican investment fund and $5.5 million in transaction fees related to Fund XV. These fees are expected to be recognized ratably through 2015 with regards to Pelican, and in Q4 2013 for Fund XV.

[1] *Investment in PWEF through EIG Korea.*

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# B. Projected Financials

**Table 22: Financial Model Fund Assumptions**

| | Committed Funds | Inception | Fund Life (Years) | Mgmt Fees (bps) | Carry Fees | Hurdle Rate |
|---|---|---|---|---|---|---|
| **Existing Investment Vehicles:** | | | | | | |
| **Energy Funds:** | | | | | | |
| Energy Funds X | $ 734 | 2004 | 12 | 120 | 7 % | 9 % |
| Energy Fund XIV | 2,569 | 2006 | 12 | 125 | 20 | 8 |
| European Clean Energy Fund | 355 | 2006 | 12 | 125 | 20 | 7 |
| Energy Fund XV | 4,097 | 2010 | 12 | 119 | 19 | 8 |
| Energy Fund XVI | 6,060 | 2013 | 10 | 123 | 20 | 8 |
| **Structured Funds:** | | | | | | |
| Global Project Fund II | $ 700 | 2004 | 12 | 65 | 20 % | 11 % |
| Global Project Fund III | 1,534 | 2005 | 12 | 50 | 20 | 11 |
| **Separate Accounts & Other Vehicles:** | | | | | | |
| Cogeneration and Infrastructure Fund | $ 500 | 1987 | Permanent | 50 | 10 % | 10 % |
| Gateway | 223 | 2007 | Permanent | 125 | 20 | 8 |
| EIG Gateway Direct Investments | 107 | 2011 | 12 | 100 | 15 | 8 |
| Pelican Spillover Fund | 372 | 2012 | 6.5 | 120 | 20 | 8 |
| POSCO Woori EIG Global Fund | 503 | 2012 | 4 | 20 | 10 | 8 |
| **Current - 2014 Capital Raisings:** | | | | | | |
| Separate Accounts | $ 5,050 | 2014 | 10 | 72 | 20 % | 8 % |
| Global Project Fund IV | $ 1,010 | 2014 | 10 | 50 | 0 % | 0 % |
| **Long-Term Capital Raisings:** | | **Frequency** | | | | |
| Energy Funds | $ 6,000 | 4 years | 10 | 125 | 20 % | 8 % |
| Separate Accounts | 1,000 | 1 year | 10 | 125 | 20 | 8 |
| Structured Funds | 1,000 | 3 years | 10 | 50 | 0 | 0 |

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### Table 23: Projected Economic Net Income

| | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement - Full Company** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Management Fees | $ 82.7 | $ 123.6 | $ 184.0 | $ 193.0 | $ 225.7 | $ 284.4 | $ 267.3 |
| Carried Interest | 79.2 | 110.2 | 234.7 | 303.4 | 358.3 | 445.6 | 516.8 |
| Transaction Fees | 0.6 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GP Investment Income | 0.7 | 1.2 | 5.2 | 9.1 | 12.1 | 17.0 | 22.5 |
| Total Fund Revenues | $ 163.2 | $ 235.3 | $ 423.9 | $ 505.5 | $ 596.1 | $ 747.0 | $ 806.7 |
| | | | | | | | |
| G&A | $(10.0) | $(13.1) | $(11.7) | $(12.0) | $(12.4) | $(13.1) | $(15.5) |
| Compensation | (24.0) | (41.2) | (66.9) | (75.4) | (94.9) | (128.2) | (124.9) |
| Carry Points | (23.7) | (33.8) | (73.6) | (109.5) | (141.5) | (186.4) | (240.0) |
| Fund Expenses | (8.3) | (13.7) | (21.6) | (21.4) | (25.8) | (33.3) | (23.9) |
| Total Expenses | $(66.0) | $(101.8) | $(173.9) | $(218.3) | $(274.6) | $(361.0) | $(404.4) |
| | | | | | | | |
| Total EBITDA | $ 97.3 | $ 133.5 | $ 250.1 | $ 287.2 | $ 321.5 | $ 386.0 | $ 402.3 |
| | | | | | | | |
| Depreciation | $(2.8) | $(2.9) | $(6.1) | $(5.7) | $(5.4) | $(5.3) | $(5.1) |
| Interest Expense | (7.2) | (9.1) | (10.3) | (9.6) | (8.8) | (8.0) | (6.2) |
| Taxes | (0.6) | (1.1) | (2.2) | (2.5) | (4.5) | (3.6) | (5.7) |
| Economic Net Income | $ 86.7 | $ 120.4 | $ 231.4 | $ 269.5 | $ 302.8 | $ 369.1 | $ 385.3 |

| | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement - EIG Only[1]** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Management Fees | $ 58.4 | $ 100.7 | $ 160.1 | $ 171.8 | $ 208.7 | $ 273.8 | $ 260.4 |
| Carried Interest | 52.3 | 72.7 | 154.9 | 226.9 | 291.8 | 387.8 | 483.3 |
| Transaction Fees | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GP Investment Income | 0.7 | 1.2 | 5.2 | 9.1 | 12.1 | 17.0 | 22.5 |
| Total Fund Revenues | $ 111.6 | $ 174.9 | $ 320.3 | $ 407.8 | $ 512.5 | $ 678.7 | $ 766.2 |
| | | | | | | | |
| G&A | $(10.0) | $(13.1) | $(11.7) | $(12.0) | $(12.4) | $(13.1) | $(15.5) |
| Compensation | (24.0) | (41.2) | (66.9) | (75.4) | (94.9) | (128.2) | (124.9) |
| Carry Points | (23.7) | (33.8) | (73.6) | (109.5) | (141.5) | (186.4) | (240.0) |
| Fund Expenses | (8.3) | (13.7) | (21.6) | (21.4) | (25.8) | (33.3) | (23.9) |
| Total Expenses | $(66.0) | $(101.8) | $(173.9) | $(218.3) | $(274.6) | $(361.0) | $(404.4) |
| | | | | | | | |
| Total EBITDA | $ 45.7 | $ 73.1 | $ 146.4 | $ 189.4 | $ 237.9 | $ 317.7 | $ 361.9 |
| | | | | | | | |
| Depreciation | $(2.8) | $(2.9) | $(6.1) | $(5.7) | $(5.4) | $(5.3) | $(5.1) |
| Interest Expense | (7.2) | (9.1) | (10.3) | (9.6) | (8.8) | (8.0) | (6.2) |
| Taxes | (0.6) | (1.1) | (2.2) | (2.5) | (4.5) | (3.6) | (5.7) |
| Economic Net Income | $ 35.1 | $ 59.9 | $ 127.8 | $ 171.7 | $ 219.3 | $ 300.8 | $ 344.9 |

[1] *Excludes management fees and carried interest payments payable to TCW.*

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## Table 24: Projected Distributable Earnings

| | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement - Full Company** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Management Fees | $ 82.7 | $ 123.6 | $ 184.0 | $ 193.0 | $ 225.7 | $ 284.4 | $ 267.3 |
| Carried Interest | 2.2 | (0.5) | 1.8 | 2.5 | 111.8 | 57.6 | 148.2 |
| Transaction Fees | 0.6 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GP Investment Income | 0.7 | 1.2 | 5.2 | 9.1 | 12.1 | 17.0 | 22.5 |
| Total Fund Revenues | $ 86.2 | $ 124.6 | $ 191.0 | $ 204.6 | $ 349.6 | $ 359.0 | $ 438.1 |
| G&A | $(10.0) | $(13.1) | $(11.7) | $(12.0) | $(12.4) | $(13.1) | $(15.5) |
| Compensation | (24.0) | (41.2) | (66.9) | (75.4) | (94.9) | (128.2) | (124.9) |
| Carry Points | 0.0 | 0.0 | 0.0 | 0.0 | (26.4) | (9.1) | (39.8) |
| Fund Expenses | (8.3) | (13.7) | (21.6) | (21.4) | (25.8) | (33.3) | (23.9) |
| Total Expenses | $(42.2) | $(68.0) | $(100.3) | $(108.8) | $(159.5) | $(183.8) | $(204.1) |
| Total EBITDA | $ 44.0 | $ 56.5 | $ 90.7 | $ 95.8 | $ 190.1 | $ 175.3 | $ 233.9 |
| Depreciation | $(2.8) | $(2.9) | $(6.1) | $(5.7) | $(5.4) | $(5.3) | $(5.1) |
| Interest Expense | (7.2) | (9.1) | (10.3) | (9.6) | (8.8) | (8.0) | (6.2) |
| Taxes | (0.6) | (1.1) | (2.2) | (2.5) | (4.5) | (3.6) | (5.7) |
| Total Distributable Earnings | $ 33.4 | $ 43.4 | $ 72.1 | $ 78.1 | $ 171.4 | $ 158.4 | $ 217.0 |

| | Actual | Projected | | | | | |
|---|---|---|---|---|---|---|---|
| **Income Statement - EIG Only[1]** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Management Fees | $ 58.4 | $ 100.7 | $ 160.1 | $ 171.8 | $ 208.7 | $ 273.8 | $ 260.4 |
| Carried Interest | 1.1 | (0.3) | 0.9 | 1.3 | 55.9 | 28.8 | 79.6 |
| Transaction Fees | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GP Investment Income | 0.7 | 1.2 | 5.2 | 9.1 | 12.1 | 17.0 | 22.5 |
| Total Fund Revenues | $ 60.5 | $ 101.9 | $ 166.2 | $ 182.1 | $ 276.7 | $ 319.7 | $ 362.5 |
| G&A | $(10.0) | $(13.1) | $(11.7) | $(12.0) | $(12.4) | $(13.1) | $(15.5) |
| Compensation | (24.0) | (41.2) | (66.9) | (75.4) | (94.9) | (128.2) | (124.9) |
| Carry Points | 0.0 | 0.0 | 0.0 | 0.0 | (26.4) | (9.1) | (39.8) |
| Fund Expenses | (8.3) | (13.7) | (21.6) | (21.4) | (25.8) | (33.3) | (23.9) |
| Total Expenses | $(42.2) | $(68.0) | $(100.3) | $(108.8) | $(159.5) | $(183.8) | $(204.1) |
| Total EBITDA | $ 18.2 | $ 33.9 | $ 65.9 | $ 73.3 | $ 117.2 | $ 135.9 | $ 158.4 |
| Depreciation | $(2.8) | $(2.9) | $(6.1) | $(5.7) | $(5.4) | $(5.3) | $(5.1) |
| Interest Expense | (7.2) | (9.1) | (10.3) | (9.6) | (8.8) | (8.0) | (6.2) |
| Taxes | (0.6) | (1.1) | (2.2) | (2.5) | (4.5) | (3.6) | (5.7) |
| Total Distributable Earnings | $ 7.6 | $ 20.8 | $ 47.3 | $ 55.6 | $ 98.5 | $ 119.1 | $ 141.4 |

## Table 25: Historical and Projected Accrued Carry

| | Actual | | | | | Projected | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** |
| Beginning Balance | $ 0.0 | $ 35.3 | $ 71.4 | $ 164.4 | $ 233.0 | $ 310.0 | $ 420.8 | $ 653.7 | $ 954.6 | $ 1,201.1 | $ 1,589.1 |
| ENI Carry | 40.7 | 41.6 | 96.4 | 73.0 | 79.2 | 110.2 | 234.7 | 303.4 | 358.3 | 445.6 | 516.8 |
| DE Carry | (5.4) | (5.5) | (3.4) | (4.4) | (2.2) | 0.5 | (1.8) | (2.5) | (111.8) | (57.6) | (148.2) |
| Ending Balance | $ 35.3 | $ 71.4 | $ 164.4 | $ 233.0 | $ 310.0 | $ 420.8 | $ 653.7 | $ 954.6 | $ 1,201.1 | $ 1,589.1 | $ 1,957.7 |

[1] *Excludes management fees and carry payable to TCW.*

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# VI. Appendices

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## Appendix A: Management Biographies

| Name/Position | Background |
|---|---|
| R. Blair Thomas<br>*CEO*<br><br>(Joined in 1998) | ■ Chairman of the Investment Committee and the Executive Committee and portfolio manager for all funds and accounts<br>■ Member of the Board of Directors of Sete Brasil and LLX Logistica<br>■ Member of Advisory Board of the Center for Strategic and International Studies (CSIS) and the Jefferson Scholars Foundation at the University of Virginia<br>■ Prior experience:<br>— Senior investment officer with the Inter-American Development Bank<br>— Project finance attorney at Brown & Wood, LLP<br>— Adviser on energy and budget policy in the first Bush White House<br>■ Education:<br>— B.A. from the University of Virginia<br>— J.D. from New York Law School<br>— L.L.M. from Georgetown University Law Center |
| Kurt A. Talbot<br>*Co-President & CIO*<br><br>(Joined in 1990) | ■ Member of the Investment Committee and Executive Committee<br>■ First joined EIG in 1990; left in 2003 for Goldman Sachs Group, Inc., where he founded and headed its E&P Capital Group<br>■ Returned to EIG in 2005 as Managing Director, heading its oil and gas efforts and currently serving as Chief Investment Officer<br>■ Prior experience:<br>■ Senior Engineer (Houston) and Commercial Analyst (London) at Trafalgar House Oil & Gas, a British independent<br>■ Registered professional engineer in the state of Texas<br>■ Education:<br>■ B.S. in Petroleum Engineering from Louisiana State University<br>■ M.B.A. from Texas A&M University |
| Randall S. Wade<br>*Co-President & COO*<br><br>(Joined in 1996) | ■ Member of the Investment Committee and Executive Committee<br>■ Previously head of EIG's structured funds, investment principal responsible for Australia and analyst for oil and gas investments<br>■ Prior experience:<br>— Formerly Commercial Lending Officer for First Interstate Bank of Texas, responsible for developing a middle-market loan portfolio<br>■ Education:<br>— B.A. in Economics and B.B.A. in Finance from the University of Texas |
| Jean-Daniel Borgeaud<br>*Managing Director*<br><br>(Joined in 2006) | ■ Member of the Investment Committee and Executive Committee<br>■ Head of EIG's London office and responsible for investment origination, execution and management activities in the region<br>■ Previously a consultant to EIG on a major portfolio investment in Latin America before joining EIG<br>■ Prior experience:<br>— Former senior investment officer and manager in the Private Sector Department of the Inter-American Development Bank<br>— Project finance team at Credit Suisse in New York, responsible for structuring investments in energy / infrastructure<br>■ Education:<br>— M.S. in Agricultural Engineering from the Swiss Federal Institute of Technology (Zurich)<br>— M.B.A. from the University of Lausanne |

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| Name/Position | Background |
|---|---|
| Wallace Henderson<br>*Managing Director*<br><br>(Joined in 2011) | ■ Senior member of the EIG investment team focusing on global investment opportunities in both energy and resources<br>■ Prior experience:<br>— 18 years as energy investment banker at Credit Suisse, specializing in oil & gas project finance, corporate capital raising, and M&A for large U.S. and Latin American oil companies<br>— Ran UBS's NY-based energy group for five years, leading capital raising and advisory assignments for energy companies and sponsors<br>— Senior Financial Consultant to Coskata, Inc., an energy technology company backed by Kholsa Ventures, Blackstone and Total.<br>■ Education:<br>— B.A. in Economics from Kenyon College<br>— M.B.A. from Columbia Business School |
| Derek Lemke-von Ammon<br>*Managing Director*<br><br>(Joined in 2011) | ■ Head of Capital Development overseeing investor relations, fundraising, co-investments and product development<br>■ Member of the Executive Committee<br>■ Prior Experience:<br>— Partner and Head of Business Development at FTV Capital<br>— Founder, member of the Executive Committee and Head of Private Equity for Thomas Weisel Partners<br>— Partner and Head of Private Equity for Montgomery Securities<br>■ Education:<br>— B.A. from Pomona College<br>— J.D. from the Northwestern University School of Law<br>— Completed Executive Program at the Stanford University Graduate School of Business |
| Gerald J. Stalun<br>*Managing Director*<br><br>(Joined in 2008) | ■ Head of EIG's power business<br>■ More than 20 years of experience in the global power business<br>■ Prior experience:<br>— Head of Asset Based Investments – Americas for Arcapita Inc., a leading private equity firm active in the sector<br>— Senior Vice President of GE Energy Financial Services responsible for equity and debt investments in the power and energy sectors<br>— Managing Director of Duke Capital Partners LLC, focusing on equity and mezzanine capital in the power, energy and real estate areas<br>— Managing Director and Co-Head of Power Project Finance for Bank of America Securities LLC<br>— Energy-related investment and finance positions at JP Morgan Chase & Co and Prudential Capital Group<br>■ Education:<br>— B.S. in Accounting from the University of Illinois<br>— M.B.A. from the University of Chicago |

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| Name/Position | Background |
| --- | --- |
| Curt S. Taylor<br>*Managing Director*<br><br>(Joined in 2003) | ■ Head of EIG's oil and gas business<br>■ Prior experience:<br>— Partner at Stratum Group L.P, responsible for business development and technical review of structured oil and gas transactions<br>— Owned Taylor & Company, where he assisted oil & gas companies with capital formation and acquisitions<br>■ Education:<br>— B.S. in Petroleum Engineering from Texas A&M University<br>— M.B.A. from the University of Houston<br>— Registered professional engineer |
| Robert L. Vitale<br>*Managing Director & General Counsel*<br><br>(Joined in 2008) | ■ Member of the Executive Committee<br>■ Prior experience:<br>— Actively involved in energy and infrastructure transactions for approximately 30 years, having closed over 200 transactions in more than 25 countries<br>— Chaired New York-based Energy and Infrastructure Departments of three international law firms (Brown & Wood, LLP; Cadwalader, Wickersham & Taft, LLP; and Paul, Hastings, Janofsky & Walker, LLP)<br>— Prior Chairman of the New York City Bar Association's Committee on Project Finance<br>■ Education:<br>— B.A., magna cum laude from Tufts University<br>— J.D., cum laude, from Georgetown University Law Center |

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# Appendix B: Selected Asset Reviews

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# Selected Asset Reviews

## Asset Review | Abengoa Solar

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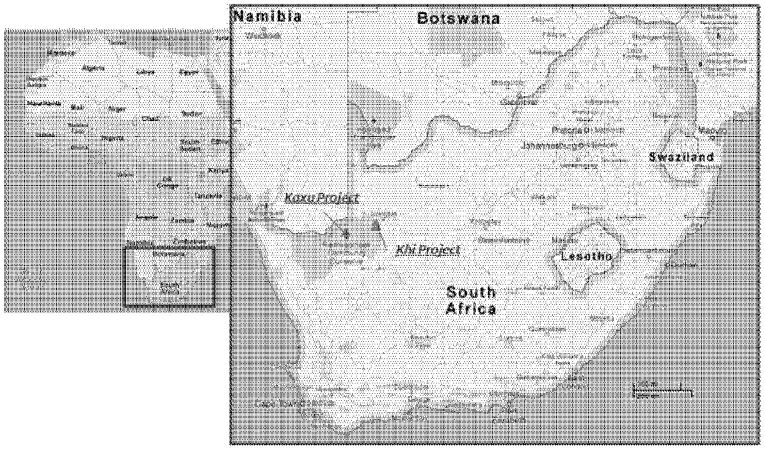
| | |
|---|---|
| **Issuer** | South Africa Solar Investments S.L. ("SASI") |
| **Committed Investment** | $106,000,000 |
| **Initial Funding Date** | March 19, 2013 |
| **Outstanding at 30-Sep-2013** | $106,000,000[1] |
| **Sector** | Renewables |
| **Project Location** | South Africa |
| **Ranking** | Mezzanine Notes |
| **Final Maturity** | June 29, 2020 |
| **Interest Rate** | 15% |

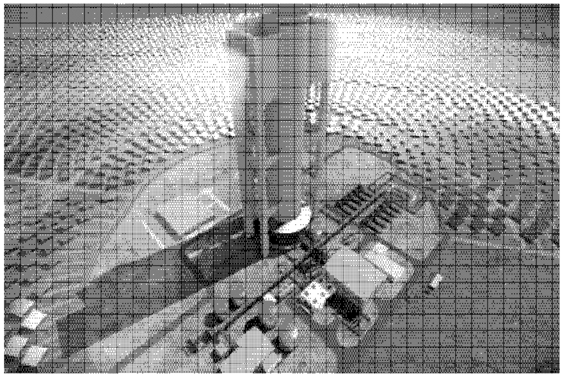



### Background

- $106 million Fund XV investment in a portfolio of two concentrated solar power generation projects located in the Northern Cape province of South Africa
- Senior secured notes issued by SASI, a holding company established by the Abengoa group of Spain
- SASI holds a controlling interest in each of the two special purpose vehicles that own the 100 MW Kaxu solar thermal and the 50 MW Solar PV power projects
- The projects are being built by Abengoa under a turnkey contract and at a cost of approx. $1.3 billion
- Once operational, the power plants will be selling electricity to Eskom, South Africa's state-owned utility, under long-term contracts
- Abengoa S.A. is an international engineering and construction group based in Seville, Spain. It is a leader in solar technology and has been developing solar projects around the world

### Current Status

- Construction is proceeding on time and on budget
- Commercial operation is scheduled for early 2015



Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

# Selected Asset Reviews

## Asset Review | Açu

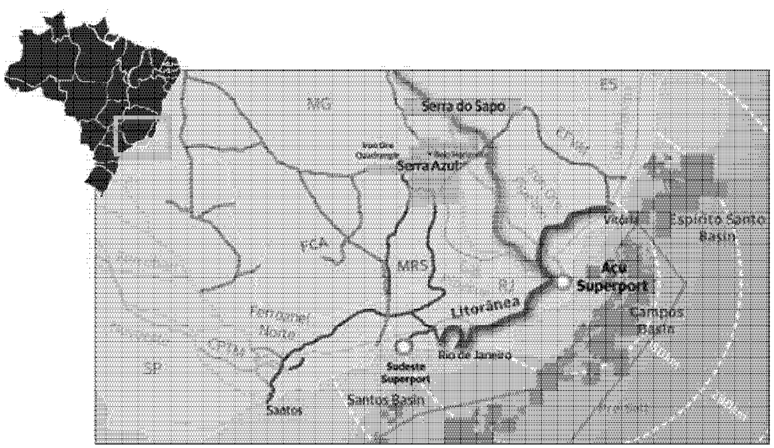
EIG

Jefferies

| | |
|---|---|
| **Issuer** | LLX Logistica S.A. |
| **Committed Investment** | R$1.3 billion (US$ 588.2 million)[1] |
| **Initial Funding Date** | October 14, 2013 |
| **Outstanding at 14-Oct-2013** | US$314,671,824[1] |
| **Sector** | Other Infrastructure |
| **Project Location** | Brazil |
| **Ranking** | Common Equity |

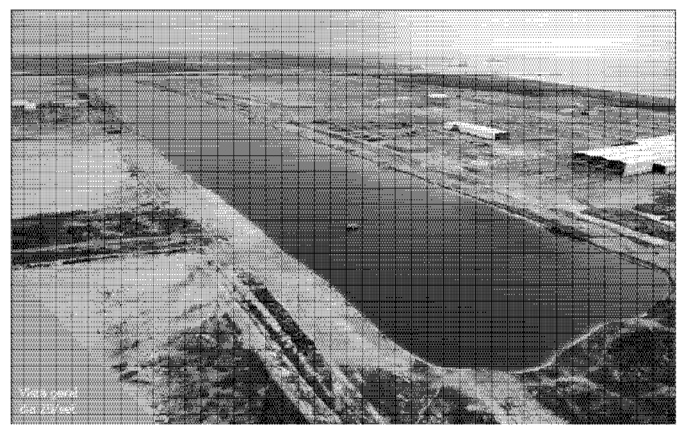
### Current Status

- On October 14, 2013, Fund XVI contributed R$695 MM (US$315 MM)[1] through a rights offering, acquiring 33% and control of the company
- At conclusion of the rights offering, Fund XVI will invest up to an additional R$605 MM (US$274MM)[1] to purchase any shares not acquired by other shareholders. As a result, Fund XVI will hold up to 61% of the company




### Background

- The Port of Açu is strategically located ~300 km north of Rio de Janeiro between the Campos and Santos offshore oil basins and the Minas Gerais iron ore producing region
- Açu will be among the world's largest port complexes and will be critical to the development of Brazil's oil & gas and iron ore industries
- Açu has been under development and construction since 2007. With EIG's investment, major works are scheduled to be completed by 2015
- Açu consists of two terminals and an industrial complex:
  - TX-1: 3 km offshore pier for iron ore handling and oil transshipment
  - TX-2: Inland harbor with a 6.5 km long, 300 meter wide dredged channel
  - Industrial Complex: 90 $km^2$ with existing tenants including National Oilwell Varco, Technip, Wartsila, GE and Anglo-American
- Opportunity arose when liquidity constraints at the company's parent, Eike Batista's EBX Group, hampered EBX's ability to fund the equity required to complete construction. As part of the transaction, most ties with the EBX Group have been eliminated



Note: *Past performance is not a guarantee of future results.*
[1] *Based on exchange rate of 2.21 BRL / USD on October 3, 2013.*
[2] *Represents outstanding par value of R$695 million at exchange rate of 2.21 BRL / USD on October 3, 2013.*

Goldman Sachs

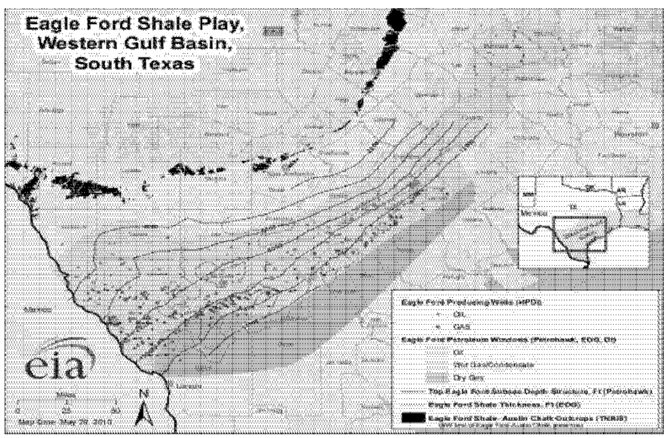
# Selected Asset Reviews

## Asset Review | BlackBrush

EIG

Jefferies

| | |
|---|---|
| **Issuer** | BlackBrush TexStar, L.P. |
| **Committed Investment** | $420,000,000 |
| **Initial Funding Date** | March 21, 2011 |
| **Outstanding at 30-Sep-2013** | $245,544,108[1] |
| **Sector** | Upstream Oil & Gas |
| **Project Location** | South Texas, U.S.A. |
| **Ranking** | First Lien Notes & Common Equity |
| **Final Maturity** | March 2016 |
| **Interest Rate** | 13% (9% Cash, 4% PIK) |
| **Yield Enhancement** | Warrants and all gains attributable to equity ownership |

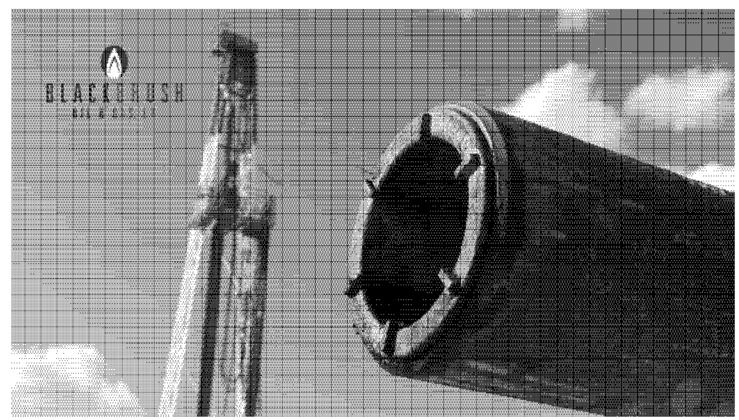



### Background

- $420 million investment (split equally between Funds XIV and XV)
- BlackBrush is a diversified exploration and production company with producing upstream assets in the Eagle Ford Shale, a midstream gathering and processing business and an oil field services business
- The investment closed on March 21, 2011, with an initial equity investment of $155 million for 51% of the Issuer

### Current Status

- In May 2013 BlackBrush raised $640 million in debt and repaid all outstanding first lien notes to the fund
- During 2012, BlackBrush completed the sale of a portion of its midstream assets, a crude oil pipeline that traverses the Eagle Ford formation, for $318 million, as well as the sale of 5,000 non-operated E&P assets for $62 million
- Currently, BlackBrush is producing 2,800 Bbl/d of oil and 12 MMcf/d of gas



Note: *Past performance is not a guarantee of future results.*

[1] *Includes committed investment by Fund XV and Fund XIV. Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

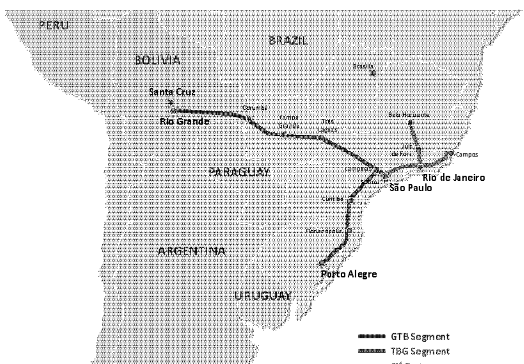
# Selected Asset Reviews

## Asset Review | BTB Pipeline

EIG

Jefferies

| | |
|---|---|
| **Issuer** | Gas Transboliviano S.A. ("GTB")<br>Transportadora Brasileira<br>Gasoduto Bolivia-Brasil S.A. ("TBG") |
| **Committed Investment** | $320,000,000 |
| **Initial Funding Date** | July 12, 2012 |
| **Outstanding at 30-Sep-2013** | $269,241,889[1] |
| **Sector** | Midstream |
| **Project Location** | Brazil & Bolivia |
| **Ranking** | Shareholder Loans and Common Equity |
| **Average Cash Yield** | 12-15% |
| **Yield Enhancement** | All gains attributable to equity ownership |

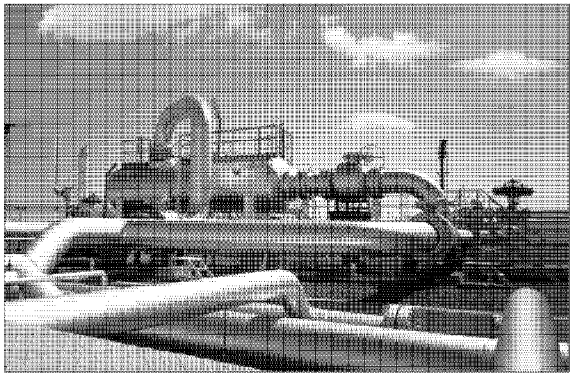



### Background

- $320 million investment in GTB-TBG Holdings S.à r.l., a newly formed entity which holds substantial minority equity interests in TBG and GTB, the entities that own and operate the Bolivia-Brazil pipeline ("BTB")
- BTB is 3,150 kilometers in length, stretching from Rio Grande, Bolivia to Guararema, São Paulo state, the largest natural gas market in Brazil, and southward to Porto Alegre in Rio Grande do Sul, Brazil
- Along the majority of the line, BTB has a capacity of 33 million cubic meters per day and measures 32 inches in diameter
- In 2011, over 35% of Brazil's natural gas consumption was imported from Bolivia through BTB

### Current Status

- In January 2013, EIG closed two follow-on acquisitions which were funded with $80 million in co-investment and an incremental $97 million from Fund XV
- As a result of the follow-on acquisitions, together with co-investors, Fund XV owns approximately 38% and 27% of the Bolivian and Brazilian operating companies, respectively



Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*

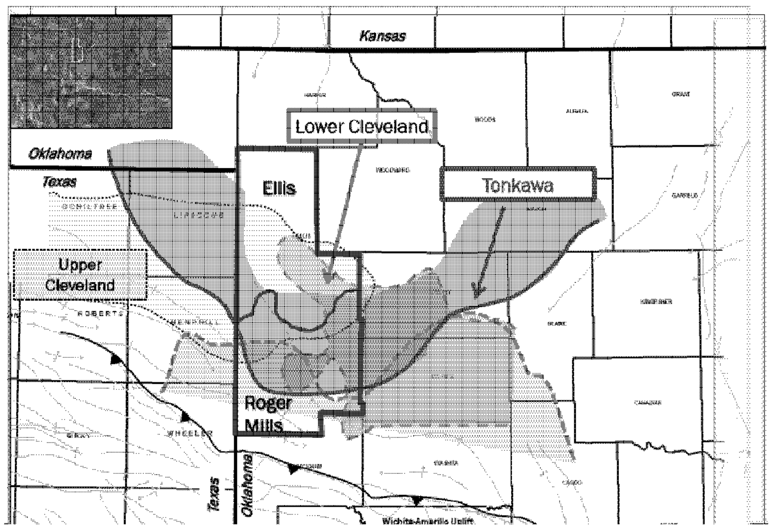
Goldman Sachs

# Selected Asset Reviews
## Asset Review | Cleveland Tonkawa

EIG

Jefferies

| | |
|---|---|
| **Issuer** | CHK Cleveland Tonkawa, LLC |
| **Committed Investment** | $100,000,000 |
| **Initial Funding Date** | March 29, 2012 |
| **Outstanding at 30-Sep-2013** | $100,000,000[1] |
| **Sector** | Upstream Oil & Gas |
| **Project Location** | Oklahoma, U.S.A. |
| **Ranking** | Preferred Equity |
| **Yield Enhancement** | Overriding Royalty Interest |

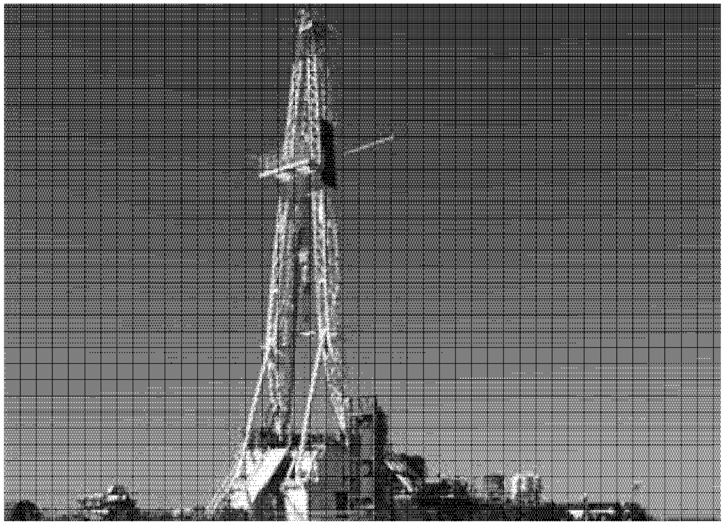



### Background

- CHK Cleveland Tonkawa, L.L.C. ("CHK CT") is a newly-formed unrestricted subsidiary of Chesapeake Energy Corporation that will own and develop 245,000 net acres in the Cleveland and Tonkawa formations in the Anadarko Basin in Oklahoma
- Preferred stock with 6% cash dividend and a detachable overriding royalty interest of 3.75% in the existing production plus the first 1,000 net wells drilled on CHK CT's assets

### Current Status

- The Fund XV investment closed and was funded in March 2012. Approximately 630 wells are producing 10,800 Bbl/d of oil and 41 MMscf/d of gas



Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

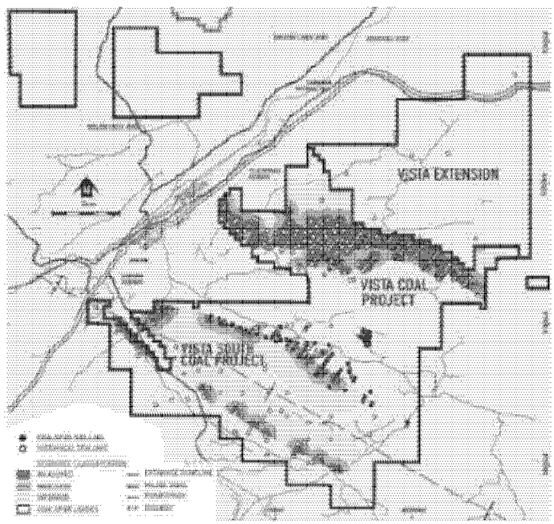
Jefferies

EIG

# Selected Asset Reviews

## Asset Review | Coalspur

| | |
|---|---|
| **Issuer** | Coalspur |
| **Committed Investment** | $350,000,000 |
| **Initial Funding Date** | July 12, 2013 |
| **Outstanding at 30-Sep-2013** | 37,000,000[1] |
| **Sector** | Thermal Coal |
| **Project Location** | Alberta, Canada |
| **Ranking** | First Lien Notes |
| **Coupon** | 11% |
| **Yield Enhancement** | Options equivalent to ~16% ownership in the Company |

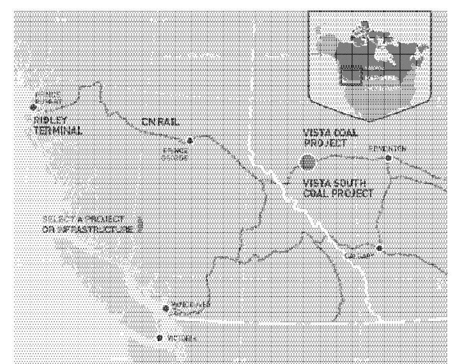



### Background

- Canadian based dual-listed company (ASX:CPL, TSX:CPT) developing the Vista Coal Project ("Vista") in Alberta, Canada
- When at full capacity, Vista will produce 12 million tonnes per annum of high quality thermal coal for export through the Canadian west coast Ridley Port over a 26-year project life
- The Company has long-term committed rail and port export capacity for full production capacity in place
- Vista is one of very few new coal projects globally which has secured access to existing infrastructure and will ship high quality thermal coal into the Asia Pacific markets at competitive landed costs
- The Notes bear a coupon of 11% per annum, PIK during construction and a minimum cash pay component of 8% once in production

### Current Status

- EIG signed transaction documentation on 18th April 2013
- Financial Close achieved on 12th July 2013 with $37 million drawn from Fund XV
- After regulatory approval and equity raising, construction is scheduled to commence in Q2 2014 with first production of coal towards the end of 2015




*Source: Coalspur presentation released on ASX on June 20, 2013.*
*Note:* Past performance is not a guarantee of future results.
[1] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

Jefferies

# Selected Asset Reviews

## Asset Review | Greenfield

EIG

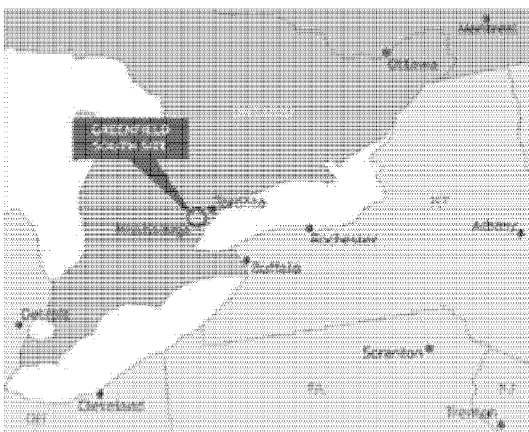
| | |
|---|---|
| **Issuer** | Greenfield South HoldCo, LLC |
| **Committed Investment** | $260,000,000[1] |
| **Initial Funding Date** | May 26, 2011 |
| **Outstanding at 30-Sep-2013** | Repaid |
| **Sector** | Power (Natural Gas) |
| **Project Location** | Mississauga, Ontario, Canada |
| **Ranking** | Second Lien Notes |
| **Final Maturity** | December 2019 |
| **Interest Rate** | 14% (8% Cash; 6% PIK) |
| **Yield Enhancement** | Yield Maintenance, Detachable Warrants (25% of Issuer) |

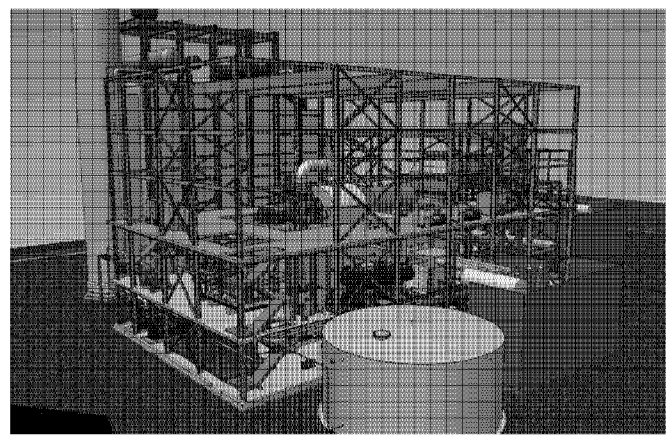
### Background

- $260 million commitment (split equally between Funds XIV and Fund XV) of which $58 million was funded
- Greenfield South Power Corporation owned development rights to a 293 MW combined cycle gas fired power plant located just outside Toronto, Canada
- Power from the facility was to be sold under a long-term Power Purchase Agreement ("PPA") to the Ontario Power Authority ("OPA")

### Current Status

- Construction was progressing on schedule and on budget but was halted before completion in November 2011 when the OPA announced it would not honor the PPA
- The Funds prevailed in litigation proceedings and were ultimately able to reach a negotiated settlement with all defendants
- Settlement proceeds were received in June 2012 for a final 207% gross IRR[2]





Note: *Past performance is not a guarantee of future results.*
[1] *Includes committed investment by Fund XIV and Fund XV.*
[2] *Please see explanatory notes and disclosures on pages 2, 45-46 for important information regarding the calculation of IRRs.*

Goldman Sachs

Jefferies

# Selected Asset Reviews

## Asset Review | Intervention

EIG

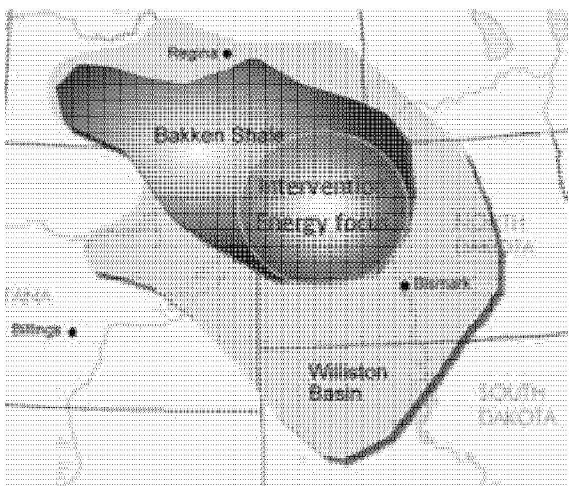
| | |
|---|---|
| **Issuer** | Intervention Energy, LLC |
| **Committed Investment** | $201,000,000 |
| **Initial Funding Date** | January 6, 2012 |
| **Outstanding at 30-Sep-2013** | $96,000,000[1] |
| **Sector** | Upstream Oil & Gas |
| **Project Location** | Montana & North Dakota, U.S.A. |
| **Ranking** | Senior Secured Notes |
| **Final Maturity** | December 2016 |
| **Interest Rate** | 10% |
| **Yield Enhancement** | Penny Warrants for 20% of the company's fully diluted common stock |

### Background

- Intervention's primary focus is on developing oil prospective Bakken Shale and Three Forks acreage located in Montana and North Dakota, U.S.A.
- Intervention participates in non-operated working interests, typically in the 3-5% range

### Current Status

- $96 million has been funded by Fund XV as of September 30, 2013 and oil production is approximately 1,300 Bbl/d (net)
- As of February 2013, the Company was participating in ~335 wells




Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

# Selected Asset Reviews

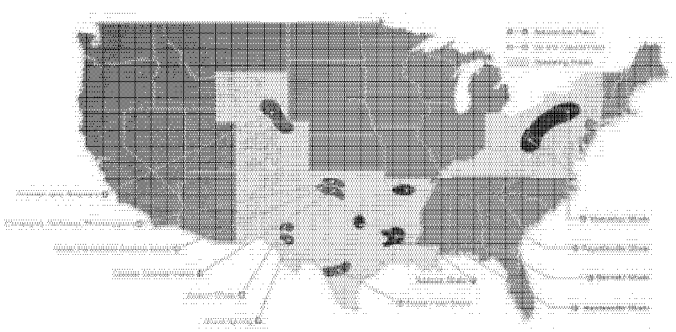
## Asset Review | Jamestown Resources

EIG

Jefferies

| | |
|---|---|
| **Issuer** | Jamestown Resources, LLC |
| **Committed Investment** | $600,000,000 |
| **Initial Funding Date** | June 2010 |
| **Outstanding at 30-Sep-2013** | $599,200,000[1] |
| **Sector** | Upstream Oil & Gas |
| **Project Location** | U.S. |
| **Ranking** | First Lien Notes |
| **Final Maturity** | December 2016 |
| **Interest Rate** | 12% cash |
| **Yield Enhancement** | Net Profits Interest |

### CHK's Operating Areas[2]

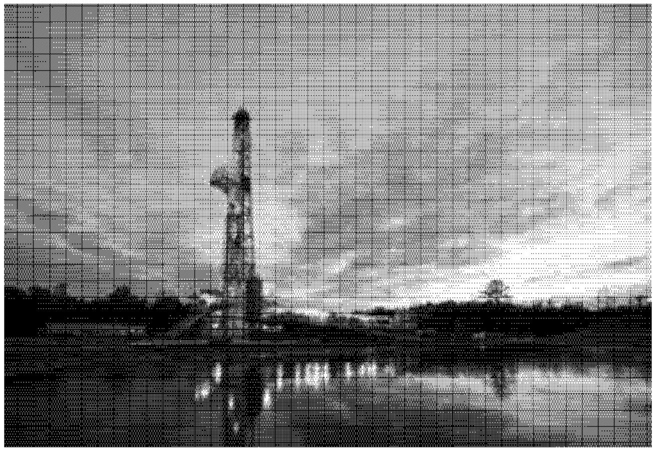


### Background

- Jamestown was formed to fund the Founders Well Participation Program of Chesapeake Energy, a shareholder-approved management compensation program for Chesapeake's CEO
- Jamestown is a highly diversified well program
- Chesapeake is one of the most experienced and active oil and natural gas drillers in the U.S.
- Jamestown has a low cost acreage position due to Chesapeake's "first mover" position in many of the key shale plays

### Current Status

- As of September 30, 2013, Fund XV had invested $599.2 million
- The program was participating in approximately 3,300 gross wells of which 2,500 were producing
- Jamestown is expected to have the opportunity to participate in over 10,000 future wells



Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*
[2] *Source: Chesapeake Energy Website (2013).*

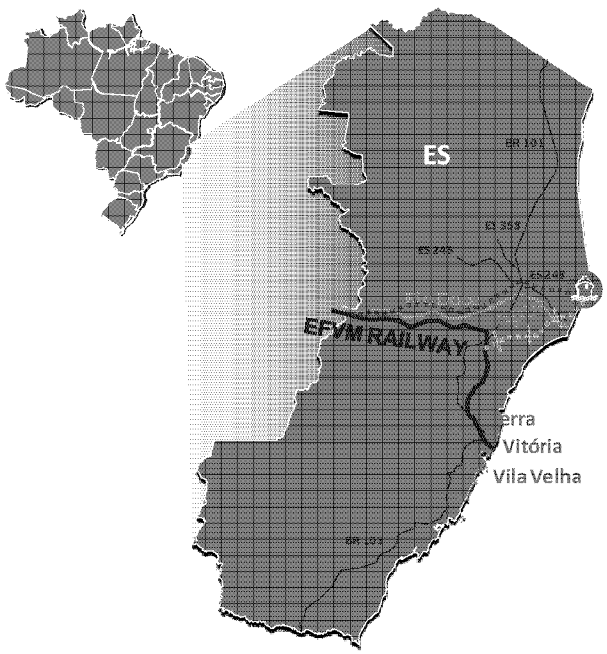
Goldman Sachs

Jefferies

# Selected Asset Reviews
## Asset Review | Manabi

EIG

| | |
|---|---|
| **Issuer** | Manabi S.A. |
| **Committed Investment** | $151,134,734 |
| **Initial Funding Date** | October 2, 2012 |
| **Outstanding at 30-Sep-2013** | $151,134,734[1] |
| **Sector** | Mining |
| **Project Location** | Brazil |
| **Ranking** | Preferred Equity |



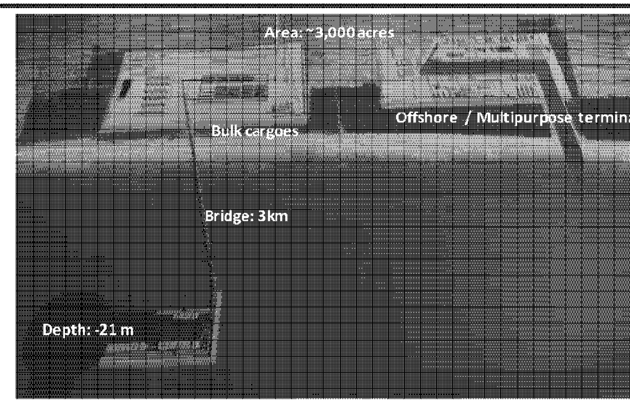

### Background

- Company was formed in March 2011 for the purpose of developing iron ore and export infrastructure assets in Brazil
- Manabi holds 78 mining rights in the State of Minas Gerais, which include the Morro do Pilar export projects and Morro Escuro domestic iron ore currently under the early stages of development
- Highly experienced management team with proven Brazilian iron ore industry expertise
- Iron ore mining development of up to 56 mtpa / Brazil, integrated iron ore transportation infrastructure and multi-use port development of up to 100 mtpa
- High Fe content / lowest impurity level project in development globally

### Current Status

- The Fund XV investment closed in August 2012 with initial funding in October 2012
- The core drilling program is on track and the early results are continuing to prove the Iron ore reserves
- First production is expected in Q3 2017

### North Port




Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013*

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Jefferies

# Selected Asset Reviews

## Asset Review | Plains Offshore

EIG

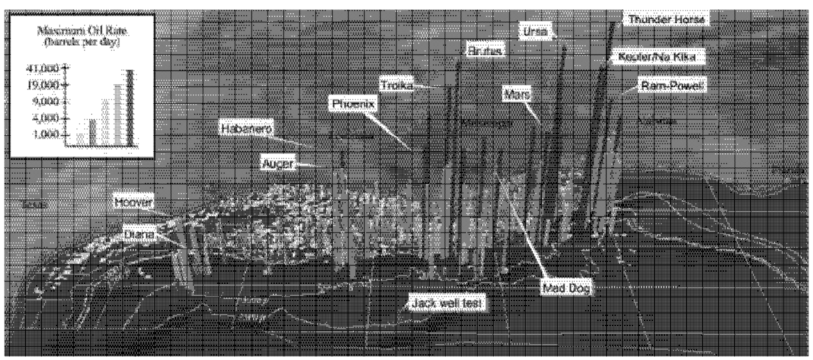
| | |
|---|---|
| **Issuer** | Plains Offshore Operations, Inc. |
| **Committed Investment** | $450,000,000 |
| **Initial Funding Date** | November 17, 2011 |
| **Outstanding at 30-Sep-2013** | $340,000,000[1] |
| **Sector** | Offshore Oil |
| **Project Location** | U.S. |
| **Ranking** | Preferred Equity with conversion rights |
| **Yield Enhancement** | Equity Warrants and all gains attributable to equity ownership |

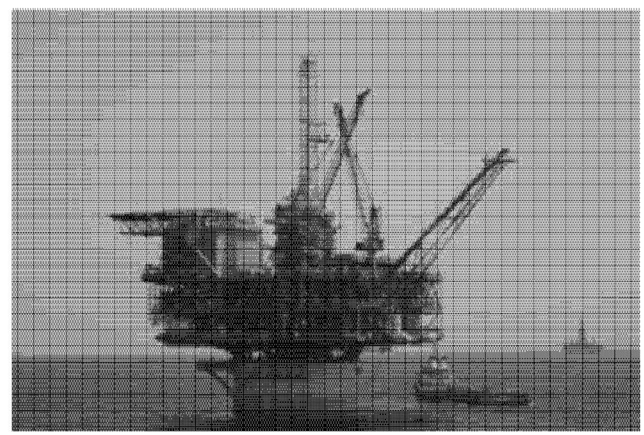
### Background

- $450 million Fund XV investment (Final hold of $340 million)
- Newly-formed subsidiary of Plains Exploration & Production Company that holds all of Plain's deepwater Gulf of Mexico assets
  - Will fund development of Lucius and Phobos prospects (both Anadarko-operated) located nearby Exxon's well-publicized Hadrian discovery
- Convertible preferred stock with 8% coupon (6% cash / 2% PIK) and attached warrants

### Current Status

- $110 million of the commitment was sold in January 2012
- Development of the Lucius prospect is underway with first production expected in 2014. The reservoir is well delineated through the drilling of development wells
- The Phobos exploration prospect was drilled during the first quarter of 2013. The well was a discovery, encountering approximately 250 net feet of high quality oil pay



Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

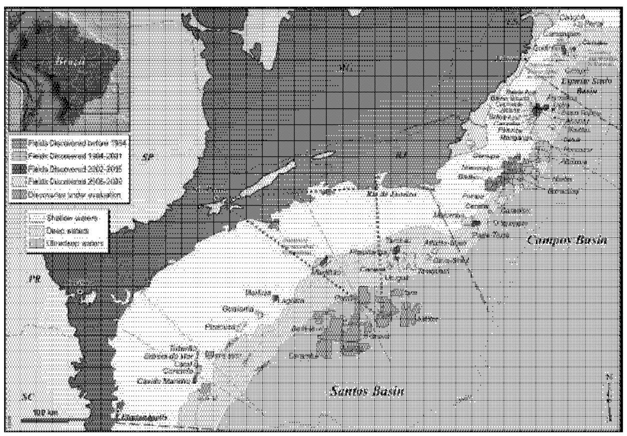
Jefferies

# Selected Asset Reviews

## Asset Review | Sete Brasil

EIG

| | |
|---|---|
| **Issuer** | Sete Brasil Participações S.A. (“Sete”) |
| **Committed Investment** | $270,000,000[1] |
| **Initial Funding Date** | January 18, 2012 |
| **Outstanding at 30-Sep-2013** | $76,435,599[2] |
| **Sector** | Midstream (Drillships) |
| **Project Location** | Brazil |
| **Ranking** | Common Equity |
| **Yield Enhancement** | All gains attributable to equity ownership |

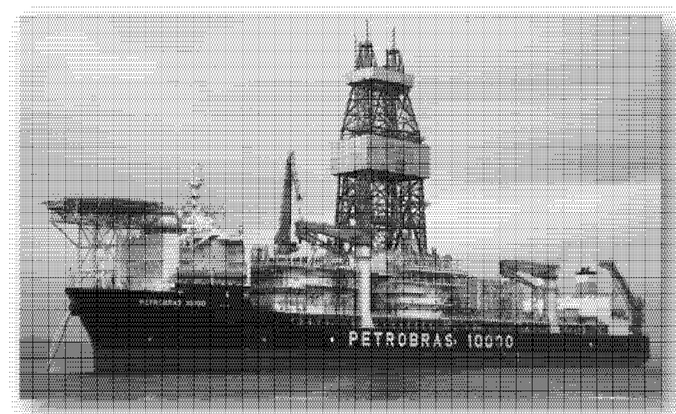



### Background

- 509 million Brazilian Reals (approximately US$270 million) equity investment split between Fund XIV and XV
- Sete Brasil created by Petrobras and its Brazilian partners to build and own ultra-deepwater drillships for charter for development of massive “pre-salt” oil reserves
- Charter agreements with Petrobras are for 10 years or more in duration and largely US dollar denominated

### Current Status

- The initial $100 million investment closed in January 2012 as an unsecured debt financing, a bridge to the common equity investment. The bridge investment was fully repaid in January 2013
- Funds XIV and XV were allocated an equity ownership of 3.3% each of Sete in return for a commitment to invest R$509 million of which R$152 million has been funded
- Construction is currently on time and on budget




Note: *Past performance is not a guarantee of future results.*
[1] *Includes committed investment by Fund XV and Fund XIV.*
[2] *Represents outstanding par value as of September 30, 2013.*

Goldman Sachs

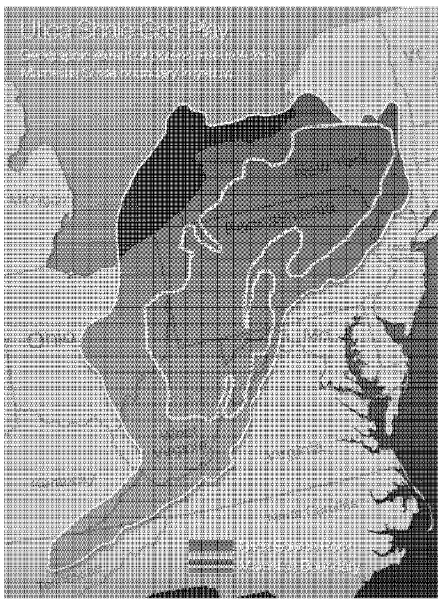
# Selected Asset Reviews

## Asset Review | Utica

EIG

Jefferies

| | |
|---|---|
| **Issuer** | CHK Utica, LLC |
| **Committed Investment** | $500,000,000 |
| **Initial Funding Date** | November 2, 2011 |
| **Outstanding at 30-Sep-2013** | $383,649,900[1] |
| **Sector** | Upstream Gas |
| **Project Location** | U.S. |
| **Ranking** | Preferred Equity |
| **Yield Enhancement** | Overriding Royalty Interest |

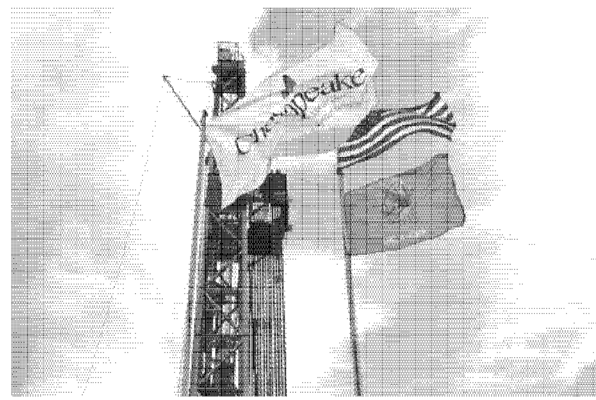



### Background

- $500 million Fund XV investment (plus $316.5 million investment made by other EIG related co-investors)
- A Chesapeake Energy subsidiary formed to own and develop 700,000 acres in the liquids-rich Utica Shale in Ohio
- Preferred stock with 7% cash dividend and a detachable overriding royalty interest of 3.0% in first 1,500 net Utica wells drilled

### Current Status

- The investment closed and funded in November 2011 with the first dividend payment received in December
- Subsequent to closing, Chesapeake announced a $2.3 billion joint venture with Total SA at a substantial step-up to the implied acreage price paid by EIG and its co-investors
- As of June 30, 2013, CHK-Utica had drilled 350 wells, 108 of which are producing 4,700 Bbl/d and 110 MMscf/d of gas
- On May 8, 2013, Preferred Stock with a par value of $116.4 million was sold by the Fund at a price of $128 million (110.5% of par). The royalty associated with the preferred stock was not sold




Note: *Past performance is not a guarantee of future results.*
[1] *Represents outstanding par value as of September 30, 2013.*



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# Appendix C: Omnibus and Revenue Sharing Agreements

During 2009 senior officers of the Energy & Infrastructure Group ("EIG") of Trust Company of the West ("TCW") engaged in discussions with TCW senior management for purposes of consummating a consensual spin-out (the "Spin-out") of EIG from TCW, thereby forming an independent, energy focused, asset management company. The parties reached consensual agreement on the terms of the Spin-out, which were principally embodied in a document called the Omnibus Agreement, entered into as of October 16, 2009 (the "OA").

In accordance with the terms of the OA, EIG formed an independent holding company (EIG Global Energy Partners, LLC), and various subsidiary companies (collectively, "EIG GEP"), to manage (either directly or acting as a sub-adviser to TCW and its affiliates) all energy funds historically advised by EIG prior to the Spin-out, as well as future energy investment funds to be formed by EIG GEP after the Spin-out (collectively, the "EIG Funds"). TCW officers and employees employed by EIG while it was still a part of TCW were hired by EIG GEP in their same capacities. The Spin-out became legally and fully effective as of January 1, 2011, when EIG GEP commenced operations as a business independent of TCW.

The economic arrangements in the OA provided for continued sharing between EIG GEP and TCW of management fee income and carried interest payments from funds under management at the time the OA was signed, in the same proportion as the fees and carry were shared prior to the Spin-out. Additionally, TCW would receive a reduced share of fees and carry for funds raised after signing the OA and prior to EIG GEP becoming fully independent (January 1, 2011). Finally, TCW would be entitled to a yet smaller percentage of fees and carry for EIG Funds raised between January 1, 2011 and January 1, 2020. This trailer fee sharing arrangement represented TCW's only economic interest in EIG Funds and TCW did not own any equity in any EIG GEP entity through which income was generated.

The OA contained various agreements between EIG GEP and TCW regarding the establishment and administration of EIG GEP's investment management business, including an agreement that in return for the compensation sharing arrangements referred to above, TCW would not engage, directly or indirectly, in activities that were competitive with EIG GEP's energy-investment business. In August, 2012 TCW announced a pending transaction in which Société Générale, TCW's parent company, would sell a controlling interest in TCW to investment funds managed by The Carlyle Group (the "TCW-Carlyle Transaction").

EIG GEP notified TCW that EIG GEP considered the announced TCW-Carlyle Transaction to be in violation of various agreements embodied in the OA, including the non-compete covenant referred to above, based upon The Carlyle Group's investment activities. TCW disagreed with that assertion, and EIG GEP and TCW entered into discussions aimed at resolving the disagreement. EIG GEP and TCW were unable to reach mutual agreement on resolving their differences, with the result that in August 2012 EIG GEP filed an arbitration action in California against TCW and its affiliates seeking enforcement of its rights under the OA. In addition, in a separate action filed in August 2012 by EIG GEP in the United States District Court for the Central District of California, EIG GEP sought to enjoin the consummation of the TCW-Carlyle Transaction (the arbitration proceeding and the injunction proceeding are collectively referred to as the "Adversarial Proceedings").

EIG GEP pursued the Adversarial Proceedings during the balance of 2012, resulting *inter alia* in the issuance of an injunction enjoining those portions of the TCW-Carlyle Transaction which EIG GEP asserted were in breach of EIG GEP's rights under the OA. Settlement negotiations thereafter commenced between EIG GEP and TCW, with the result that the parties to the Adversarial Proceedings entered into a confidential Settlement and Revenue Sharing Agreement dated as of January 15, 2013 (the "RSA"), embodying their consensual agreement to settle the Adversarial Proceedings and certain other outstanding disagreements between them.

In the RSA, EIG GEP and TCW agreed to terminate the OA and to modify their prior OA agreements. In return for a lump sum payment of $31.5 million (which has been paid) to TCW from EIG GEP, TCW has relinquished any right to management fees and carried interest generated by investment funds established after Fund XV (which was established in early 2010). TCW retained the right to its share of management fees and carried interest payments with respect to Fund XV and legacy funds formed prior to the formation of Fund XV. The RSA also provided for EIG GEP to consent to the consummation of the TCW-Carlyle Transaction, and for TCW and EIG GEP to jointly seek the consent of investors in the EIG Funds to the consummation of the TCW-Carlyle Transaction and the transfer to EIG GEP of full management control over all EIG Funds, ending prior sub-advisory relationships between EIG GEP and TCW, and thereby further severing even a nominal relationship of TCW to the EIG Funds.[1] During the first quarter of 2013, the sought-for consents were successfully obtained from the required EIG Fund investors, and the settlement transactions contemplated by the RSA were fully implemented. Subsequently, the TCW-Carlyle Transaction was also completed.

In summary, the only relationship now remaining between EIG GEP and TCW is TCW's right to receive residual management fee and carried interest payments with respect to certain legacy funds being operated by EIG GEP, with the result that over time, TCW's payment rights will eventually be terminated in their entirety as the subject funds reach maturity and are liquidated.

[1] *There remains one legacy fund, the Boilmakers Fund (now in run-off mode), where for regulatory reasons TCW remains the nominal fund trustee while EIG GEP effectively operates the Fund under a sub-advisory relationship.*

# Appendix D: Notes to Investment Performance

1. The funds in the table make both mezzanine and equity investments, except Global Project Funds ("GPF") I, II and III, which are collateralized loan obligations (CLOs) that only make debt investments and target higher credit quality project finance loans and lower overall returns than the asset-based mezzanine and equity funds, thus representing a different investment strategy from the other funds. Future economic conditions may differ materially from the conditions under which those funds were invested.

   This itemized list of funds does not include Gateway Energy & Resource Holdings, LLC (an EIG fund of funds that solely invests in or co-invests alongside other EIG-managed funds), EIG-Gateway Direct Investments, L.P. (a pooled investment vehicle that invests alongside other EIG-managed funds), POSCO Woori EIG Global Fund (a private equity fund, with respect to which an affiliate of EIG serves as a co-general partner, established under the laws of the Republic of Korea to participate in certain co-investments alongside POSCO, the Korean national mining company) or the co-investment vehicles that invest alongside Fund X, Fund XIV and Fund XV.

2. The Gross Multiple of Cost and aggregate Gross IRR each reflect investment-level performance based on aggregated monthly cash inflows and outflows for each investment and, where applicable, the valuation of unrealized investments, and does not take into account performance fees, carried interest, management fees and other expenses that were incurred by the various relevant funds. "N/A" or "NM" indicates Gross IRRs that are not applicable due to the short duration of the fund or investment or if the fund or investment is currently held at a loss. Gross Multiple of Cost for Fund X and XV is calculated by dividing Total Value by Capital Invested. In the case of Fund XIV, the Gross Multiple of Cost is calculated by dividing Total Value by the original Fund XIV commitment of $2.6 billion.

3. The Net IRR is based on investor contributions and distributions, and take into account performance fees, carried interest, management fees and other expenses that were incurred by the funds. Certain EIG-managed funds had different fee and carried interest structures from the structure the Fund is expected to have. For funds comprising multiple investment vehicles or funds for which investors are subject to different management fee or carried interest rates, the Net IRR is based on a representative vehicle that made all the relevant fund investments using the standard fund investment guidelines and the standard fee and expense structure for the relevant fund. The representative accounts for Fund XV, Fund XIV and Fund X are EIG Fund XV, L.P., EIG Fund XIV, L.P. and EIG Fund XB – NL, L.P., respectively. The Net IRRs of other investors or of other vehicles in the same fund group may vary.

4. The value of unrealized investments is based upon public market price indications for investments for which such information is available. In the absence of such prices, value is determined for debt investments using a discounted cash flow method by calculating the net present value of projected cash flows from the investment over the period the investment is expected to be held. The discount rate applied is based on a risk-adjusted premium that the general partner believes reflects the risk of not achieving a return of capital on the investment within the stated term of the investment. Fund investments may include yield enhancements, such as royalty interests in oil and gas properties, common shares received in exchange for warrants, warrants, equity options, net profits interests, cash flow participations and other interests. Depending on the nature of the instrument, these yield enhancements are generally valued as described above with respect to debt investments. Valuations for unrealized investments and yield enhancements are reduced if EIG determines in good faith that a significant impairment in value has occurred that has a significant negative impact on the asset taking into consideration factors determined relevant.

While each respective fund's valuations of unrealized investments are based on assumptions that EIG believes to be reasonable under the circumstances, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, market conditions at the time of disposition, related transaction costs and the timing and manner of sale, all of which may differ from the assumptions in the valuations that are part of the performance data contained herein.

5. Each of the funds GPF I, GPF II and GPF III is structured with leverage, and the committed capital includes both debt and equity commitments. GPF I was capitalized with $95 million of equity commitments. All investments were made using debt, and the equity commitments were never funded. GPF I was dissolved in 2004 and prior to dissolution, equity investors received $13 million of distributions. Since the equity investors never contributed capital, the return to equity investors is infinite. The IRR for GPF I was calculated on the basis of the actual cash distributions received by equity investors from the fund and assuming that periodic capital contributions were made by equity investors for the fund's investments. GPF II was capitalized with $95 million of equity commitments. All of the equity investors have funded their commitments and GPF II's investment period ended July 15, 2009. The performance is the realized return achieved by GPF II as of September 30, 2013 based on the level and timing of contributions made from GPF II and distributions received from GPF II. GPF III was capitalized with $122.5 million of equity commitments, all of which has been funded. GPF III's investment period ended on September 1, 2010.

Goldman Sachs

Jefferies

EIG

# Appendix E: Accounting Policies for Distributable Earnings and Economic Net Income

There are several metrics in the alternative asset management industry which are used to manage the operations of these businesses. The two most commonly reported metrics are:

- Economic Net Income ("ENI")
- Distributable Earnings ("DE")

The major distinction between these two metrics relates to the timing and recognition of incentive income. The asset management industry recognizes incentive income using one of the following methods:

1. Method 1: Recognize income only when it is fixed or determinable, all related contingencies have been removed and collection is reasonably assured. No meaningful risk of clawback (or therefore, of income reversal)

2. Method 2: Recognize income based on the hypothetical liquidation value of the underlying fund as of the date of the financial statements. Income is subject to future reversal if fund returns are negative

The majority of public alternative asset managers are valued on Economic Net Income, which recognizes incentive income based on the hypothetical liquidation value as of the date of the financial statements (Method 2). This income is subject to future reversal if fund returns are down or negative.

Distributable Earnings recognizes incentive income only when it is certain or cash, typically as the fund enters its liquidation phase (Method 1). Under this methodology, incentive income tends to be much more lumpy due to the back-ended nature of recognition.